



Joyas International Holdings Limited

(Incorporated in Bermuda)

Company Registration Number: 38991

Financial Statement And Related Announcement
For the financial year ended 31 December 2016

JOYAS INTERNATIONAL HOLDINGS LIMITED

Unaudited Full Year Financial Statement And Related Announcement for the Financial Year Ended 31/12/2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income For the year ended 31 December 2016

The Group

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000	Increase/ (Decrease) %
Revenue	82,825	93,577	(11.5)
Cost of sales	<u>(78,615)</u>	<u>(88,005)</u>	(10.7)
Gross profit	4,210	5,572	(24.4)
Other income	769	1,443	(46.7)
Selling and distribution costs	(2,140)	(1,960)	9.2
Administrative expenses	(12,109)	(14,276)	(15.2)
Other operating expenses	(2,326)	(3,322)	(30.0)
Finance costs	(2,029)	(1,990)	2.0
Share of loss of an associate	<u>(119)</u>	<u>-</u>	100.0
Loss before income tax	(13,744)	(14,533)	(5.4)
Income tax expense	<u>(84)</u>	<u>(60)</u>	40.0
Loss for the year[#]	<u><u>(13,828)</u></u>	<u><u>(14,593)</u></u>	(5.2)
Total comprehensive income attributable to:			
Owners of the Company	(13,809)	(14,730)	(6.3)
Non-controlling interests	<u>(19)</u>	<u>137</u>	(113.9)
	<u><u>(13,828)</u></u>	<u><u>(14,593)</u></u>	(5.2)

[#] Please refer to paragraph 4.

The Group's loss before income tax is arrived at after charging/(crediting):

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000	Increase/ (Decrease) %
Interest income	(16)	(98)	(83.7)
Other income	(196)	(100)	96.0
Fair value (gain)/loss on convertible bonds	(36)	122	(129.5)
Fair value loss/(gain) on warrants	196	(692)	(128.3)
Sales of scrap materials	(25)	(31)	(19.4)
Rental income	(64)	(40)	60.0
Auditors' remuneration	794	712	11.5
Bad debts recovered	(109)	(83)	31.3
Cost of inventories recognised as expense, including	78,615	88,005	(10.7)
- Write-down of inventories to net realisable value	5,262	5,723	(8.1)
- Reversal of write-down of inventories to net realisable value	-	(2,547)	(100.0)
- Depreciation (note i)	384	656	(41.5)
Depreciation of property, plant and equipment and investment properties	706	1,045	(32.4)
Write off of property, plant and equipment	1,477	-	100.0
Loss on disposals of property, plant and equipment	144	3,200	(95.5)
Impairment of Goodwill	652	-	100.0
Exchange gains, net	(259)	(399)	(35.1)
Operating lease rentals in respect of rented premises	935	979	(4.5)
Interest expenses	<u>2,029</u>	<u>1,990</u>	2.0

Note i: These amounts are also included in the respective total amounts disclosed separately below.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**Statement of Financial Position
As at 31 December 2016**

The Group

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	4,345	8,242
Intangible asset	600	-
Goodwill	-	413
	<u>4,945</u>	<u>8,655</u>
Current assets		
Inventories	7,044	14,431
Trade receivables	29,369	14,024
Deposits, prepayments and other receivables	32,386	23,393
Prepaid tax	652	98
Pledged bank deposits	26,104	6,537
Cash and bank balances	12,805	13,846
	<u>108,360</u>	<u>72,329</u>
Current liabilities		
Trade payables	20,072	10,427
Other payables and accruals	12,266	13,944
Bank and other borrowings	16,270	12,816
Tax payables	138	183
	<u>48,746</u>	<u>37,370</u>
Net current assets	<u>59,614</u>	<u>34,959</u>
Total assets less current liabilities	<u>64,559</u>	<u>43,614</u>
Non-current liabilities		
Convertible bonds	20,086	19,890
Warrants	283	319
	<u>20,369</u>	<u>20,209</u>
Net assets[#]	<u>44,190</u>	<u>23,405</u>
EQUITY		
Share capital	19,139	4,048
Reserves	23,995	19,185
Equity attributable to the owners of the Company	<u>43,134</u>	<u>23,233</u>
Non-controlling interests	1,056	172
Total equity	<u>44,190</u>	<u>23,405</u>

Please refer to paragraph 4.

Statement of Financial Position (continued)
As at 31 December 2016

The Company

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Interests in subsidiaries	8	8
Current assets		
Prepayments and other receivables	207	72
Amount due from subsidiaries	49,737	21,934
Cash and bank balances	1,527	4,634
	<u>51,471</u>	<u>26,640</u>
Current liabilities		
Other payables and accruals	528	552
	<u>528</u>	<u>552</u>
Net current assets	<u>50,943</u>	<u>26,088</u>
Total assets less current liabilities	<u>50,951</u>	<u>26,096</u>
Non-current liabilities		
Convertible bonds	20,086	19,890
Warrants	283	319
	<u>20,369</u>	<u>20,209</u>
Net assets	<u><u>30,582</u></u>	<u><u>5,887</u></u>
EQUITY		
Share capital	19,139	4,048
Reserves	11,443	1,839
Total equity	<u><u>30,582</u></u>	<u><u>5,887</u></u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2016		As at 31 December 2015	
Secured (Unaudited) HK\$'000	Unsecured (Unaudited) HK\$'000	Secured (Audited) HK\$'000	Unsecured (Audited) HK\$'000
16,270	-	12,816	-

Amount repayable after one year

As at 31 December 2016		As at 31 December 2015	
Secured (Unaudited) HK\$'000	Unsecured (Unaudited) HK\$'000	Secured (Audited) HK\$'000	Unsecured (Audited) HK\$'000
20,086	-	19,890	-

Details of any collateral

As at 31 December 2016, the Group's banking facilities granted amounted to approximately HK\$40.6 million (31 December 2015: approximately HK\$13.7 million) of which approximately HK\$15.1 million (31 December 2015: approximately HK\$11.8 million) were utilised. These facilities were secured by legal charges over certain of the Group's leasehold land classified as finance lease, leasehold buildings, bank deposits, and personal guarantees provided by one executive director and one non-executive director of the Company as at 31 December 2016.

As at 31 December 2016, the Group's other borrowings granted amounted to approximately HK\$1.0 million (31 December 2015: HK\$5.9 million) of which approximately HK\$1.1 million (31 December 2015: HK\$1.0 million) were utilised. The facilities were secured by personal guarantees from the director, shareholders and employee of a subsidiary.

As at 31 December 2016, the Group's outstanding principal amount of convertible bonds amounted to approximately S\$3.5 million. (31 December 2015: approximately S\$3.5 million).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows
For the year ended 31 December 2016**

The Group

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
Cash flows from operating activities		
Loss before income tax	(13,744)	(14,533)
Adjustments for:		
Interest income	(16)	(98)
Depreciation	706	1,045
Share option expenses	981	1,041
Loss on disposals of property, plant and equipment, net	144	3,200
Fair value (gain) / loss on convertible bonds	(36)	122
Fair value loss / (gain) on warrants	196	(692)
Exchange gain on convertible bonds and warrants	-	(824)
Bad debts recovered	(109)	(83)
Impairment of goodwill	652	-
Write-down of inventories to net realisable value, net	5,262	3,176
Write off of property, plant and equipment	1,477	-
Interest expenses	2,029	1,990
Operating loss before working capital changes	(2,458)	(5,656)
Decrease/(Increase) in inventories	2,124	(805)
(Increase)/Decrease in trade receivables	(15,236)	1,824
(Increase)/Decrease in deposits, prepayments and other receivables	(5,168)	3,458
Increase/(Decrease) in trade payables	9,645	(4,021)
Decrease in other payables and accruals	(5,357)	(18,383)
Cash used in operations	(16,450)	(23,583)
Interest paid	(631)	(764)
Net income tax (paid)/refunded	(683)	36
Net cash used in operating activities	(17,764)	(24,311)
Cash flows from investing activities		
Purchases of property, plant and equipment	(48)	(36)
Proceeds from disposals of property, plant and equipment	1,688	100
Payment to acquire business, net of cash acquired	3,359	333
Interest received	16	98
Increase in pledged bank deposits	(19,567)	(2,793)
Net cash used in investing activities	(14,552)	(2,298)

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2016

The Group (continued)

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
Cash flows from financing activities		
Proceeds from issue of shares	30,680	9,216
Share issue expenses	(1,461)	(380)
Proceeds from issue of warrants	-	1,036
Proceeds from issue of convertible bonds	-	19,970
Issuing cost of convertible bonds – debts components	-	(629)
Capital contribution from non-controlling shareholders	-	1,510
Interest paid on convertible bonds	(1,398)	-
Dividend paid to non-controlling shareholders	-	(817)
Proceeds from new bank and other borrowings	38,251	66,661
Repayments of bank and other borrowings	<u>(34,797)</u>	<u>(72,035)</u>
Net cash generated from financing activities	<u>31,275</u>	<u>24,532</u>
Net decrease in cash and cash equivalents	(1,041)	(2,077)
Cash and cash equivalents at the beginning of the year	13,846	15,923
Cash and cash equivalents at the end of the year	<u><u>12,805</u></u>	<u><u>13,846</u></u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u><u>12,805</u></u>	<u><u>13,846</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity
For the year ended 31 December 2016**

The Group

	Equity attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Share option reserve	Capital contribution reserve	Exchange reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
Balance as at 1 January 2015 (audited)	3,548	28,717	52,677	-	-	-	(58,556)	26,386	-	26,386
Issue of shares upon placing	500	8,716	-	-	-	-	-	9,216	-	9,216
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	123	123
Equity-settled share-based transactions	-	-	-	1,041	-	-	-	1,041	-	1,041
Capital contribution by non-controlling shareholders	-	-	-	-	1,700	-	-	1,700	729	2,429
Dividend to non-controlling shareholders	-	-	-	-	-	-	-	-	(817)	(817)
Share issue expenses	-	(380)	-	-	-	-	-	(380)	-	(380)
Transactions with owners	500	8,336	-	1,041	1,700	-	-	11,577	35	11,612
Loss for the year and total comprehensive income for the year	-	-	-	-	-	-	(14,730)	(14,730)	137	(14,593)
Balance as at 31 December 2015 and 1 January 2016 (audited)	4,048	37,053	52,677	1,041	1,700	-	(73,286)	23,233	172	23,405
Issue of shares upon rights issue	15,089	15,536	-	-	-	-	-	30,625	-	30,625
Issue of shares upon exercise of warrants	2	53	-	-	-	-	-	55	-	55
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,203	1,203
Equity-settled share-based transactions	-	-	-	981	-	-	-	981	-	981
Capital contribution by non-controlling shareholders	-	-	-	-	3,605	-	-	3,605	1,545	5,150
Other comprehensive income:										
-Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	(95)	-	(95)	-	(95)
Dividend to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,845)	(1,845)
Share issue expenses	-	(1,461)	-	-	-	-	-	(1,461)	-	(1,461)
Transactions with owners	15,091	14,128	-	981	3,605	(95)	-	33,710	903	34,613
Loss for the year and total comprehensive income for the year	-	-	-	-	-	-	(13,809)	(13,809)	(19)	(13,828)
Balance as at 31 December 2016 (unaudited)	19,139	51,181	52,677	2,022	5,305	(95)	(87,095)	43,134	1,056	44,190

Statement of Changes in Equity (continued)
For the year ended 31 December 2016

The Company

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance as at 1 January 2015 (audited)	3,548	28,717	75,659	-	(104,149)	3,775
Issue of shares upon placing	500	8,716	-	-	-	9,216
Equity-settled share based transactions	-	-	-	1,041	-	1,041
Share issue expenses	-	(380)	-	-	-	(380)
Transaction with owners	500	8,336	-	1,041	-	9,877
Total comprehensive income for the year	-	-	-	-	(7,765)	(7,765)
Balance as at 31 December 2015 and 1 January 2016 (audited)	4,048	37,053	75,659	1,041	(111,914)	5,887
Issue of shares upon rights issue	15,089	15,536	-	-	-	30,625
Issue of shares upon exercise of warrants	2	53	-	-	-	55
Equity-settled share based transactions	-	-	-	981	-	981
Share issue expenses	-	(1,461)	-	-	-	(1,461)
Transaction with owners	15,091	14,128	-	981	-	30,200
Total comprehensive income for the year	-	-	-	-	(5,505)	(5,505)
Balance as at 31 December 2016 (unaudited)	<u>19,139</u>	<u>51,181</u>	<u>75,659</u>	<u>2,022</u>	<u>(117,419)</u>	<u>30,582</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Movements to the Share Capital

	Number of shares	HK\$'000
Authorised:		
As at 1 January 2016 and 31 December 2016, ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
As at 1 January 2016, ordinary shares of HK\$0.01 each	404,670,733	4,048
Issue of new shares of HK\$0.01 each	202,000	2
As at 30 June 2016, ordinary shares of HK\$0.01 each	404,872,733	4,050
Issue of new shares of HK\$0.01 each	1,508,904,240	15,089
As at 31 December 2016, ordinary shares of HK\$0.01 each	<u>1,913,776,973</u>	<u>19,139</u>

The Group has the following outstanding convertible securities as at 31 December 2016 and 31 December 2015:

Outstanding Convertible Securities	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)
2011 Warrants ⁽¹⁾	-	107,343,448
2015 Warrants ⁽¹⁾	18,173,980	18,173,980
Convertible Bonds ⁽¹⁾	\$3,503,459	\$3,503,459
Share Options ⁽²⁾⁽³⁾⁽⁴⁾	53,000,000	21,000,000

- i) 18,173,980 warrants (the “**2015 Warrants**”) convertible into 18,173,980 ordinary shares of the Company. The 2011 Warrants have expired on 25 January 2016;
- ii) S\$3,503,459 in aggregate principal amount of convertible bonds (the “Convertible Bonds”) convertible into 35,034,597 ordinary shares of the Company; and
- iii) 53,000,000 share options convertible into 53,000,000 ordinary shares of the Company (please refer to note (2) to note (4) of the Explanatory Notes).

As at 31 December 2016, the number of shares that could have been issued on conversion of all of the Company's outstanding warrants, convertible bonds and share options are as follows:

	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)
Total number of shares that may be issued on conversion of the Company's warrants ⁽¹⁾	18,173,980	125,517,428
Total number of shares that may be issued on conversion of the Company's convertible bonds ⁽¹⁾	35,034,597	35,034,597
Total number of shares that may be issued on conversion of the Company's share options ⁽²⁾⁽³⁾⁽⁴⁾	53,000,000	21,000,000

Notes:

- (1) As at 31 December 2015, the warrants outstanding comprised of 18,173,980 2015 Warrants and 107,343,448 warrants issued in January 2011 (the "**2011 Warrants**"). The 2011 Warrants have an exercise price of SGD0.05 per share and an expiry date of 25 January 2016. As at 31 December 2016, the number of outstanding warrants was 18,173,980 as the 2011 Warrants have expired.

Please refer to the announcement in relation to the 2015 Warrants and the Convertible Bonds dated 23 February 2015.

- (2) On 25 May 2015, the Company granted 9,000,000 share options (the "**May 2015 Options**") under the Joyas Share Option Scheme to certain Directors of the Company. The May 2015 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the May 2015 Options dated 25 May 2015.
- (3) On 16 February 2015, the Company entered into a share option agreement with a third party (the "**Grantee**") to grant options (the "**Feb 2015 Options**") to the Grantee to subscribe for 12,000,000 new ordinary shares in the capital of the Company at an exercise price of S\$0.021. The Feb 2015 Options are exercisable before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the Feb 2015 Options dated 13 April 2015.
- (4) On 19 August 2016, the Company granted 32,000,000 share options (the "**August 2016 Options**") under the Joyas Share Option Scheme to the Non-Executive Directors of the Company. The August 2016 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the August 2016 Options dated 19 August 2016.

Save for the above, there were no treasury shares or other outstanding convertible securities as at 31 December 2016 and 31 December 2015.

Use of net proceeds from the placement of 50,000,000 placement shares at an issue price of S\$0.032 per placement share in June 2015 (the “Placement”)

The Group’s utilisation of the net proceeds of approximately S\$1.5 million from the Placement is set out as below:

Use of net proceeds	Amount of net proceeds allocated (S\$’000)	Amount utilised to date (S\$’000)	Amount unutilised to date (S\$’000)
General working capital	770.5	770.5 ¹	-
Exploration of and investment in the business opportunities in its Nickel Distribution and Trading Business (previously Potential investments and acquisitions)	770.5	670.5	100
Total	1,541	1,441	100

¹ Approximately S\$470,500 was used for administrative expenses and approximately S\$300,000 was used for settlement of accounts payable.

The allocation and utilisation of the net proceeds from the Placement is in accordance with the intended use as stated in the announcement with respect to the Placement dated 28 May 2015 and 19 May 2016.

Use of net proceeds from the non-renounceable and non-underwritten rights issue in August 2016 (the “Rights Issue”)

The Group’s utilisation of the net proceeds of approximately S\$5.03 million from the Rights Issue is set out as below:

Use of net proceeds	Amount of net proceeds allocated (S\$’000)	Amount utilised to date (S\$’000)	Amount unutilised to date (S\$’000)
Funding the Financing Business of the Company	4,023	1,860	2,163
General working capital	1,006	300 ²	706
Total	5,029	2,160	2,869

² Approximately S\$300,000 was used for administrative expenses.

The above utilisation of the proceeds from the Rights Issue is consistent with the intended use as disclosed in the Offer Information Statement.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)
Total number of issued shares	1,913,776,973	404,670,733
Total number of treasury shares	<u>-</u>	<u>-</u>
Total number of issued shares excluding treasury shares	<u>1,913,776,973</u>	<u>404,670,733</u>

There were no treasury shares held as at 31 December 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not hold any treasury shares as at the end of the financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures in this announcement have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same International Financial Reporting Standards and related interpretations ("IFRS") accounting policies and methods of computation in the financial statements for the current financial year as those adopted in the audited financial statements for the financial year ended 31 December 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning from 1 January 2016. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

The Board of Directors would like to highlight to shareholders that while the audit of the Group's Financial Statements for the year ended 31 December 2016 ("FY2016") is still in progress, the Auditors have recently highlighted that two of the Group's suppliers ("Related Suppliers") may be construed as subsidiaries of the Group as

there appears to be deemed control by the Group over the Related Suppliers even though the Group does not have any equity interest in the Related Suppliers.

The unaudited financial statements of the Group for FY2016 presented in this announcement have not consolidated the relevant financial results of the Related Suppliers and Management is working expeditiously with the Auditors and the Related Suppliers to resolve the matter. Based on preliminary assessment, the Board is of the view that there will be no material impact from the consolidation of the Related Suppliers on the total comprehensive income attributable to the owners of the Company and the equity attributable to the owners of the Company for FY2016 as the Group does not have any equity interest in the Related Suppliers. Based on Management's preliminary understanding of the financial statements of the Related Suppliers, there is also no material impact from the consolidation of the financial statements of the Related Suppliers to the Group's FY2016 financial statements. The Company will announce any material differences between the FY2016 audited financial statements of the Group and the unaudited results presented in this announcement once the audit has been completed.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The Group

	Year ended 31 December	
	2016	2015
	(Unaudited)	(Audited)
Loss for the year attributable to owners of the Company (HK\$'000)	<u>(13,809)</u>	<u>(14,730)</u>
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	<u>1,016,689</u>	<u>335,908</u>
Basic and diluted earnings/(loss) per ordinary share ⁽²⁾ (HK cents)	<u>(1.36)</u>	<u>(4.38)</u>

Notes:

- (1) The weighted average number of ordinary shares is based on the number of shares issued for the financial years ended 31 December 2016 and 31 December 2015.
- (2) For the financial years ended 31 December 2016 and 2015, basic earnings/(loss) per ordinary share are same as diluted earnings/(loss) per ordinary share because the exercise prices of share options and warrants are higher than the average market prices for share for the financial years of 2016 and 2015 and the exercise of convertible bonds would result in a decrease in loss per share in the financial year ended 31 December 2016 as they are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)	As at 31 December 2016 (Unaudited)	As at 31 December 2015 (Audited)
Net asset value per ordinary share based on issued share capital (HK cents)	2.31	5.78	1.6	1.45

Net asset value per ordinary share is calculated based on the total number of issued shares as at 31 December 2016 and 31 December 2015 of 1,913,776,973 and 404,670,733 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of Comprehensive Income

Revenue

The Group's revenue decreased by approximately 11.5% from HK\$93.6 million in the financial year ended 31 December 2015 ("FY2015") to approximately HK\$82.8 million in FY2016.

Revenue	FY2016		FY2015		Year-on-year % change
	HK\$'000	%	HK\$'000	%	
Metal Gift Products	40,237	48.6	43,398	46.4	(7.3)
Jewellery Products	15,046	18.2	22,094	23.6	(31.9)
Nickel Ore	27,206	32.8	28,085	30.0	(3.1)
Financing Activities	336	0.4	-	-	100.0
Total	82,825	100.0	93,577	100.0	(11.5)

The decrease in revenue was attributable to:

- (a) decrease in sale of nickel ore by approximately HK\$879,000 or 3.1% to approximately HK\$27.2 million in FY2016 in the People's Republic of China (including Hong Kong) (the "PRC (including HK)") due to (i) the Company's supplier in the Philippines is still waiting to get export approvals due to new additional procedures required from the relevant authorities and (ii) the

- Company's new subsidiary namely, PT Global Linker Indonesia ("PTGLI") has yet to obtain the specific license to sell nickel ore domestically in Indonesia;
- (b) decrease in sales of jewellery products by approximately HK\$7.0 million or 31.9% to approximately HK\$15.0 million in FY2016 mainly due to decrease in demand from the Group's principal markets in United States of America (the "USA") and the PRC (including HK); and
- (c) decrease in sales of metal gift products by approximately HK\$3.2 million or 7.3% to approximately HK\$40.2 million in FY2016. This was mainly due to decrease in sales in the USA and PRC (including HK) attributable to lower orders from customers in the USA and PRC (including HK). The decrease was partially offsetted by increase in sales from Europe.

The group has commenced its financing business during the second half of FY2016 which contributed to a revenue of approximately HK\$336,000.

An analysis of sales of the Group's products to its principal markets, namely the USA, Europe, the PRC (including HK) and others during the period under review is as follows:-

	Metal Gift Products			Jewellery Products			Nickel Ore			Financing Activities		
	FY2016 HK'000	FY2015 HK'000	Change %	FY2016 HK'000	FY2015 HK'000	Change %	FY2016 HK'000	FY2015 HK'000	Change %	FY2016 HK'000	FY2015 HK'000	Change %
USA	10,004	17,323	-42.3	2,405	3,936	-38.9	-	-	-	-	-	-
Europe	18,404	9,141	101.3	-	-	-	-	-	-	-	-	-
The PRC (including HK)	11,055	15,623	-29.2	12,399	18,023	-31.2	27,206	28,085	-3.1	168	-	100.0
Others ⁽¹⁾	774	1,311	-41.0	242	135	79.3	-	-	-	168	-	100.0
Total turnover	40,237	43,398	-7.3	15,046	22,094	-31.9	27,206	28,085	-3.1	336	-	100.0

Note:-

- (1) Includes mainly customers from the Middle East, South America, Australia and Asia (other than the PRC (including HK)).

Cost of sales and gross profit

Cost of sales decreased by 10.7% from approximately HK\$88.0 million in FY2015 to approximately HK\$78.6 million in FY2016. The decrease in cost of sales was mainly due to decrease in turnover and less depreciation recognised as expense included in cost of inventories. The depreciation decreased by 41.5% to approximately HK\$384,000 due to the Group write off property, plant and equipment kept at supplier as a result of re-location of plant by its supplier from Shenzhen to Huizhou during FY2016

The overall gross profit margin decreased by 0.9 percentage point from 6.0% in FY2015 to 5.1% in FY2016 and the overall gross profit decreased by HK\$1.4 million or 24.4% from HK\$5.6 million in FY2015 to HK\$4.2 million in FY2016. The decrease in gross profit was mainly due to lower sales from metal gift and jewellery products. The decrease in gross profit margin was mainly due to higher write-down of inventories, net of reversal, to net realisable value.

Other income

Other income decreased by 46.7% from approximately HK\$1.4 million in FY2015 to approximately HK\$769,000 in FY2016. The decrease was mainly attributed to fair value change on warrants from a gain of approximately HK\$0.7 million in FY2015 to a loss of HK\$0.2 million recorded in other operating expenses in FY2016.

Selling and distribution costs

Selling and distribution costs increased by 9.2% from approximately HK\$2.0 million in FY2015 to approximately HK\$2.1 million in FY2016 mainly attributed to higher transportation cost by approximately HK\$223,000 as the Group incurred air shipment costs to avoid delays.

Administrative expenses

Administrative expenses decreased by 15.2% from approximately HK\$14.3 million in FY2015 to approximately HK\$12.1 million in FY2016. The decrease was mainly attributed to: (a) decrease in bank charges by approximately HK\$278,000 due mainly to less bank loan transactions and renewal of banking facilities; (b) decrease in directors' emoluments by approximately HK\$1.7 million due to less one executive director; (c) decrease in share option expenses by approximately HK\$59,000; and (d) decrease in legal and professional fees of approximately HK\$2.2 million in relation to the various fund raising activities by the Company during FY2015. The decrease was partially offsetted by an increase in salaries by approximately HK\$2.0 million due mainly to reclassification of an ex-director of the Company and an ex-director of a subsidiary as staff.

Other operating expenses

Other operating expenses decreased by approximately HK\$1.0 million or 30.0% from approximately HK\$3.3 million in FY2015 to approximately HK\$2.3 million in FY2016. The decrease was mainly due to the lower amount of the loss on disposal of property, plant and equipment in FY2016 compared to FY2015. The decrease was offsetted by an increase in write off of property, plant and equipment kept at supplier of approximately HK\$1.5 million in FY2016 due to re-location of plant by its supplier from Shenzhen to Huizhou and increase in impairment of goodwill of approximately HK\$0.6 million in FY2016 due to the acquisition of certain subsidiaries.

Finance costs

Finance costs increased by approximately HK\$39,000 or 2.0% in FY2016 due mainly to interest arising from the issue of convertible bonds during FY2015.

Loss before income tax

As a result of the above, the Group had recorded a loss before income tax of approximately HK\$13.7 million (FY2015: HK\$14.5 million).

Income tax expense

Income tax expense of approximately HK\$84,000 was provided for the Hong Kong subsidiaries in FY2016 (FY2015: HK\$60,000). The provision is mainly due to lower assessable profits for certain subsidiaries in FY2015.

Statement of Financial Position

Non-current assets

Non-current assets decreased by approximately HK\$3.7 million from approximately HK\$8.7 million as at 31 December 2015 to approximately HK\$4.9 million as at 31 December 2016. The decrease was mainly due to write off of property, plant and equipment kept at supplier due to re-location of plant by its supplier from Shenzhen to Huizhou and depreciation provided for property, plant and equipment for the year. The decrease in goodwill was mainly due to write off of goodwill for the acquisition of a subsidiary as the future profitability of the subsidiary is uncertain.

Current assets

Current assets increased by approximately HK\$36.1 million from approximately HK\$72.3 million as at 31 December 2015 to approximately HK\$108.4 million as at 31 December 2016. The increase was mainly due to (a) increase in trade receivables of approximately HK\$15.3 million mainly attributable to receivables from the financing and nickel ore business; (b) increase in deposits, prepayments and other receivables mainly due to increase in trade deposits paid for nickel ore business in FY2016; and (c) increase in pledged bank deposits of approximately HK\$19.6 million mainly attributable to financing the banking facilities at the end of FY2016. The increase was partly offsetted by a write-down of inventories to net realisable value for the jewellery products by approximately HK\$5.3 million.

Current liabilities

Current liabilities increased by approximately HK\$11.3 million from approximately HK\$37.4 million as at 31 December 2015 to approximately HK\$48.7 million as at 31 December 2016. The increase was mainly due to increase in trade payables of approximately HK\$9.6 million mainly due to higher trade payables for the nickel ore business and bank and other borrowings of approximately HK\$3.5 million. The increase in bank and other borrowings was mainly to finance the working capital for the trading of nickel ore and financing business. The increase was partly offsetted by the decrease in other payable and accruals of approximately HK\$1.7 million. The decrease in other payables and accruals was mainly attributed to settlement of other payables during the year ended 31 December 2016.

Non-current liabilities

Non-current liabilities remained at approximately HK\$20.4 million as at 31 December 2016 (31 December 2015: HK\$20.2 million).

Liquidity and cash flow

During FY2016, the Group's net cash used in operating activities was approximately HK\$17.8 million. This was mainly attributed to loss before working capital changes of approximately HK\$2.5 million, increase in trade receivables of approximately HK\$15.2 million, increase in deposits, prepayments and other receivables of approximately HK\$5.2 million, increase in trade payables of approximately HK\$9.6 million and decrease in other payables and accruals of approximately HK\$5.4 million.

During FY2016, the Group's net cash used in investing activities was approximately HK\$14.6 million. This was mainly attributed to increase in pledged bank deposits of approximately HK\$19.6 million, increase in cash flow from proceeds from disposals of property, plant and equipment of approximately HK\$1.7 million and payment to

acquire business, net of cash acquired from acquisition of approximately HK\$3.4 million.

During FY2016, the Group's net cash generated from financing activities was approximately HK\$31.3 million. This was mainly attributed to the proceeds from issuance of new shares upon rights issue during FY2016 of approximately HK\$30.7 million. During FY2016, the Group had raised funds from bank and other borrowings of approximately HK\$38.3 million. Repayment of bank and other borrowings amounted to approximately HK\$34.8 million.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$1.0 million (FY2015: HK\$2.1 million).

As at 31 December 2016, the Group had cash and bank balances of approximately HK\$12.8 million (31 December 2015: HK\$13.8 million), and unutilised banking facilities of approximately HK\$25.5 million (31 December 2015: HK\$1.9 million).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In the financial statement and related announcement for the six months ended 30 June 2016, the following disclosures were made:

Nickel ore

As at 30 June 2016, the Group has received 1.0 million tons of orders. Referring to the Company's announcement dated 20 January 2016, the Group's supplier has yet to obtain the export approvals due to new additional procedures from the relevant authorities. The Group expects that such approval will be obtained in due course. In the event that the supplier is unable to get the export approvals, the Group may sell the stocks domestically to recover the stocks.

Due to delay mentioned in the above, the Group has developed a new source of revenue by selling nickel ore in Indonesia. The Group has invested in an associate namely, PTGLI and shipment has commenced in August 2016.

The following variances have taken place:

The Group returned the goods purchased during FY2016 back to the supplier instead of selling the stocks domestically as the Group was not able to find a higher price due to the export restriction. The goods were returned at costs.

Up to the date of this announcement, the Group's supplier in Philippines has yet to obtain the export approvals from the relevant authorities due to new additional procedures required from the relevant authorities. The Group, at the moment, cannot ascertain when such export approvals can be obtained.

The Group has yet to sell nickel ore in Indonesia as PTGLI is required to obtain the relevant licenses for the specific shipment. The planned shipment in August 2016 was made by the supplier to the customer directly due to the licensing requirement.

The Group has increased its shareholding interest from 30% to 64% in PTGLI in October 2016.

Save for the above, the actual results for FY2016 are consistent with the commentary under paragraph 10 of the Company's announcement of the financial statements for the six months ended 30 June 2016.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Metal gift products and jewellery products

The Group expects sales to remain weak in the next 12 months as the demand for such products are expected to be remain weak

The Group will continue its efforts to promote sales, downsizing to cut costs and develop new and innovative designs of its products to enhance competitiveness.

In addition, as disclosed the Group's announcement dated 17 November 2016, the Group has decided to scale down its jewellery products business (the "Scale Down"). The Group may incur restructuring costs or dispose of its inventories at a loss. The Group is still in the process of scaling down.

Subsequent to the Scale Down, the Group expects the revenue and costs of the jewellery business to be reduced and focus its resources and efforts on its metal gifts business, financing business and its nickel ore trading business.

Nickel ore

Up to the date of this announcement, the Group's supplier in Philippines has yet to obtain the export approvals due to new additional procedures from the relevant authorities. At the moment, it is difficult to ascertain when such export approvals can be obtained.

The Group's subsidiary, PTGLI is waiting for the specific license to sell nickel ore domestically.

Recently, the Indonesian authorities have announced new procedures and requirements that nickel ore may be exported overseas. The Group is hopeful that if such procedures and requirements can be met, it will provide the Group a new source of revenue by selling nickel ore from Indonesia to overseas. The Group is in the process of understanding and arranging such procedures and requirements.

Financing business

Further to the acquisition of a subsidiary namely, CCIG Financial Services Limited in September 2016 with a Money Lenders License to operate a lending business in Hong Kong, the Group has commenced the lending business and expects the financing business to be able to contribute to the Group's revenue in the next 6-12 months.

At the same time, the Group is looking for suitable investment opportunities to improve shareholders' returns.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended/declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

The Directors did not recommend any payment of dividend for the financial year ended 31 December 2016.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Information regarding the Group's reportable segments set out below:

Year ended 31 December

	Metal Gift Products		Jewellery Products		Financing Activities		Nickel Ore		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue:										
From external customers	40,237	43,398	15,046	22,094	336	-	27,206	28,085	82,825	93,577
Reportable segment (loss)/ profit	(2,848)	(5,806)	(4,741)	(2,155)	210	-	417	942	(6,962)	(7,019)
Depreciation of property, plant and equipment	551	894	3	3	-	-	15	10	569	907
Bad debts recovered	-	-	(109)	(83)	-	-	-	-	(109)	(83)
(Reversal) / Write-down of inventories to net realisable value, net	-	967	5,262	2,209	-	-	-	-	5,262	3,176
Reportable segment assets	6,572	10,308	17,225	22,848	10,817	-	35,558	22,805	70,172	55,961
Additions to non-current segment assets during the year	-	27	-	-	27	-	-	9	27	36
Reportable segment liabilities	1,311	15,629	2,353	4,704	40	-	13,311	236	17,015	20,569

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
Reportable segment revenues	<u>82,825</u>	<u>93,577</u>
Group revenues	<u>82,825</u>	<u>93,577</u>
Reportable segment loss	(6,962)	(7,019)
Loss on disposals of property, plant and equipment	(144)	-
Fair value gain on warrants	-	692
Fair value loss on convertible bonds	-	(122)
Unallocated corporate income	434	424
Corporate legal and professional fees	(1,124)	(3,279)
Unallocated corporate expenses	(3,919)	(3,239)
Finance costs	(2,029)	(1,990)
Loss before income tax	<u>(13,744)</u>	<u>(14,533)</u>
Reportable segment assets	70,172	55,961
Pledged bank deposits	26,104	6,537
Cash and bank balances	12,805	13,846
Other corporate assets	<u>4,224</u>	<u>4,640</u>
Group assets	<u>113,305</u>	<u>80,984</u>
Reportable segment liabilities	17,015	20,569
Bank borrowings	15,139	11,815
Convertible bonds	20,086	19,890
Warrants	283	319
Other corporate liabilities	<u>16,592</u>	<u>4,986</u>
Group liabilities	<u>69,115</u>	<u>57,579</u>

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Audited) HK\$'000
Principal markets:				
USA	12,409	21,259	-	-
Europe	18,404	9,141	-	-
The PRC (including Hong Kong)	50,828	61,731	6,074	8,655
Others	<u>1,184</u>	<u>1,446</u>	<u>62</u>	<u>-</u>
	<u>82,825</u>	<u>93,577</u>	<u>6,136</u>	<u>8,655</u>

Geographical location of customers is based on the location of the customers whilst that of non-current assets is based on their physical location.

During the year, there was no revenue from external customers attributed to Bermuda (domicile) and no non-current assets were located in Bermuda (2015: Nil). The country of domicile is the country where the Company was incorporated for the purpose of the disclosure as required by IFRS 8 "Operating Segments".

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As explained in paragraph 8.

15. A breakdown of sales.

Year ended 31 December

The Group	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	Change %
Sales reported for the first half	36,770	60,444	(39.2)
Net (loss)/profit after tax reported for the first half	(3,261)	800	(507.6)
Sales reported in the second half	46,055	33,133	39.0
Net loss after tax reported in the second half	(10,567)	(15,393)	(31.4)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable as no dividend has been declared or recommended for FY2016 and FY2015.

17. Summary of Interested Person Transactions for the financial year ended 31 December 2016.

The Group has not obtained a general mandate from shareholders for interested person transactions ("IPT") pursuant to Rule 920(1)(a)(ii).

There was no IPT with value of more than S\$100,000 entered into during the financial period.

18. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Listing Manual")

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or CEO or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lau Ka Yiu	43	Son of the Managing Director, Mr Lau Chor Beng, Peter	<p><u>Current Position:</u> General Manager of Royce Gifts & Accessories Limited, a major subsidiary of Joyas International Holdings Limited (“JIHL”). He was previously the General Manager of Joyas Manufacturing Limited which was disposed during FY2013.</p> <p><u>Duties:</u> Responsible for the sales and marketing operation of the Group’s Metal Gift Business</p> <p><u>Year position first held:</u> 15 May 2012</p>	Nil
Lau Chor Wing	58	Brother of the Managing Director, Mr Lau Chor Beng, Peter	<p><u>Current Position:</u> General Manager of Jewellery Business and Managing Director of J & J Design Limited, a major subsidiary of JIHL. He was previously the General Manager of Jewellery Business and Managing Director of Master Creations Limited which was disposed during FY2013.</p> <p><u>Duties:</u> Responsible for daily operations and oversees the design and development of the Group’s jewellery products.</p> <p><u>Year position first held:</u> 23 May 2012</p>	Nil

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Cheung Wai Hung, Danny	59	Brother-in-law of the Managing Director, Mr Lau Chor Beng, Peter	<p><u>Current Position:</u> Chief Administrative Officer of Royce Gifts & Accessories Limited</p> <p><u>Duties:</u> Responsible for operation of the Group's Metal Gift Business</p> <p><u>Year position first held:</u> 2015</p>	Previously Director of JIHL

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
1 March 2017

This announcement has been prepared by Joyas International Holdings Limited (the “**Company**”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.