



Joyas International Holdings Limited

(Incorporated in Bermuda)

Company Registration Number: 38991

Financial Statement And Related Announcement
For the financial year ended 31 December 2015

JOYAS INTERNATIONAL HOLDINGS LIMITED

Unaudited Full Year Financial Statement And Related Announcement for the Financial Year Ended 31/12/2015

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 2015

The Group

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000	Increase/ (Decrease) %
Revenue	93,577	81,930	14.2
Cost of sales	<u>(88,005)</u>	<u>(75,674)</u>	16.3
Gross profit	5,572	6,256	(10.9)
Other income	1,443	15,907	(90.9)
Selling and distribution costs	(1,960)	(2,904)	(32.5)
Administrative expenses	(14,276)	(11,369)	25.6
Other operating expenses	(3,322)	(23)	NM
Finance costs	<u>(1,990)</u>	<u>(1,035)</u>	92.3
(Loss)/profit before income tax	(14,533)	6,832	NM
Income tax expense	<u>(60)</u>	<u>(266)</u>	(77.4)
(Loss)/profit for the year	<u><u>(14,593)</u></u>	<u><u>6,566</u></u>	NM
Total comprehensive income attributable to:			
Owners of the Company	(14,730)	6,566	NM
Non-controlling interests	<u>137</u>	<u>-</u>	NM
	<u><u>(14,593)</u></u>	<u><u>6,566</u></u>	NM

NM: not meaningful

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

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000	Increase/ (Decrease) %
Interest income	(98)	(3)	NM
Other income	(100)	(86)	16.3
Fair value loss on convertible bonds	122	-	NM
Fair value gain on warrants	(692)	-	NM
Sales of scrap materials	(31)	(29)	6.9
Rental income	(40)	(88)	(54.5)
Auditors' remuneration	712	780	(8.7)
Bad debts recovered	(83)	(108)	(23.1)
Cost of inventories recognised as expense, including	88,005	75,674	16.3
- Write-down of inventories to net realisable value	5,723	4,212	35.9
- Reversal of write-down of inventories to net realisable value	(2,547)	(2,160)	17.9
- Depreciation of property, plant and equipment and investment properties (note i)	656	1,632	(59.8)
Impairment losses on trade receivables	-	7	NM
Depreciation of property, plant and equipment and investment properties	1,045	2,127	(50.9)
Write off of property, plant and equipment	-	15	NM
Gain on disposals of investment properties	-	(7,853)	NM
Loss/(Gain) on disposals of property, plant and equipment	3,200	(7,740)	NM
Exchange (gains)/losses, net	(399)	152	NM
Operating lease rentals in respect of rented premises	979	805	21.6
Interest expenses	<u>1,990</u>	<u>1,035</u>	92.3

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

NM: not meaningful

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 2015**

The Group

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	8,242	12,510
Goodwill	413	-
	<u>8,655</u>	<u>12,510</u>
Current assets		
Inventories	14,431	16,802
Trade receivables	14,024	15,765
Deposits, prepayments and other receivables	23,393	1,180
Prepaid tax	98	135
Pledged bank deposits	6,537	-
Cash and bank balances	13,846	15,923
	<u>72,329</u>	<u>49,805</u>
Current liabilities		
Trade payables	10,427	14,448
Other payables and accruals	13,944	14,469
Bank and other borrowings	12,816	6,958
Tax payables	183	54
	<u>37,370</u>	<u>35,929</u>
Net current assets	<u>34,959</u>	<u>13,876</u>
Total assets less current liabilities	<u>43,614</u>	<u>26,386</u>
Non-current liabilities		
Convertible bonds	19,890	-
Warrants	319	-
	<u>20,209</u>	<u>-</u>
Net assets	<u>23,405</u>	<u>26,386</u>
EQUITY		
Share capital	4,048	3,548
Reserves	19,185	22,838
Equity attributable to the owners of the Company	<u>23,233</u>	<u>26,386</u>
Non-controlling interests	172	-
Total equity	<u>23,405</u>	<u>26,386</u>

Statement of Financial Position (continued)
As at 31 December 2015

The Company

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Interests in subsidiaries	8	8
Current assets		
Prepayments and other receivables	72	291
Amount due from a subsidiary	21,934	4
Cash and bank balances	4,634	4,036
	<u>26,640</u>	<u>4,331</u>
Current liabilities		
Other payables and accruals	552	557
Amount due to a subsidiary	-	7
	<u>552</u>	<u>564</u>
Net current assets	<u>26,088</u>	<u>3,767</u>
Total assets less current liabilities	<u>26,096</u>	<u>3,775</u>
Non-current liabilities		
Convertible bonds	19,890	-
Warrants	319	-
	<u>20,209</u>	<u>-</u>
Net assets	<u><u>5,887</u></u>	<u><u>3,775</u></u>
EQUITY		
Share capital	4,048	3,548
Reserves	1,839	227
Total equity	<u><u>5,887</u></u>	<u><u>3,775</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 2015		As at 31 December 2014	
Secured (Unaudited) HK\$'000	Unsecured (Unaudited) HK\$'000	Secured (Audited) HK\$'000	Unsecured (Audited) HK\$'000
12,816	-	6,958	-

Amount repayable after one year

As at 31 December 2015		As at 31 December 2014	
Secured (Unaudited) HK\$'000	Unsecured (Unaudited) HK\$'000	Secured (Audited) HK\$'000	Unsecured (Audited) HK\$'000
-	-	-	-

Details of any collateral

As at 31 December 2015, the Group's banking facilities granted amounted to approximately HK\$13.7 million (31 December 2014: approximately HK\$8.0 million) of which approximately HK\$11.8 million (31 December 2014: approximately HK\$7.0 million) were utilised. These facilities were secured by legal charges over certain of the Group's leasehold land classified as finance lease and leasehold buildings, bank deposits, and personal guarantee provided by one executive director of the Company as at 31 December 2015.

As at 31 December 2015, the Group's other borrowings granted amounted to approximately HK\$5.9 million (31 December 2014: Nil) of which approximately HK\$1.0 million (31 December 2014: Nil) were utilised. The facilities were secured by personal guarantees from the director, shareholders and employee of a subsidiary.

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 2015**

The Group

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Cash flows from operating activities		
(Loss)/Profit before income tax	(14,533)	6,832
Adjustments for:		
Interest income	(98)	(3)
Depreciation	1,045	2,127
Share option expenses	1,041	-
Gain on disposals of investment properties	-	(7,853)
Loss/(Gain) on disposals of property, plant and equipment	3,200	(7,740)
Fair value loss on convertible bonds	122	-
Fair value gain on warrants	(692)	-
Exchange gain on convertible bonds and warrants	(824)	-
Bad debts recovered	(83)	(108)
Impairment losses on trade receivables	-	7
Write-down of inventories to net realisable value, net	3,176	2,052
Write-off of property, plant and equipment	-	15
Interest expenses	1,990	1,035
Operating loss before working capital changes	(5,656)	(3,636)
(Increase)/Decrease in inventories	(805)	7,863
Decrease in trade receivables	1,824	1,966
Decrease in deposits, prepayments and other receivables	3,458	1,491
(Decrease)/Increase in trade payables	(4,021)	7,323
Decrease in other payables and accruals	(17,382)	(19,885)
Cash used in operations	(22,582)	(4,878)
Interest paid	(764)	(1,035)
Income tax refunded/(paid)	36	(523)
Net cash used in operating activities	(23,310)	(6,436)
Cash flows from investing activities		
Purchases of property, plant and equipment	(36)	(285)
Proceeds from disposals of investment properties	-	11,688
Proceeds from disposals of property, plant and equipment	100	10,670
Payment to acquire business, net of cash acquired	333	-
Net cash inflow from disposals of subsidiaries	-	220
Interest received	98	3
(Increase)/Decrease in pledged bank deposits	(2,793)	2,241
Dividend paid to non-controlling interests	(817)	-
Net cash (used in)/generated from investing activities	(3,115)	24,537

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2015

The Group (continued)

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Cash flows from financing activities		
Proceeds from issue of shares	9,216	2
Share issue expenses	(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 for non-controlling shareholders	1,510	-
Proceeds from new bank borrowings	62,460	27,408
Repayments of bank borrowings	<u>(68,835)</u>	<u>(44,286)</u>
Net cash generated from/(used in) financing activities	<u>24,348</u>	<u>(16,876)</u>
Net (decrease)/increase in cash and cash equivalents	(2,077)	1,225
Cash and cash equivalents at the beginning of the year	<u>15,923</u>	<u>14,698</u>
Cash and cash equivalents at the end of the year	<u><u>13,846</u></u>	<u><u>15,923</u></u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u><u>13,846</u></u>	<u><u>15,923</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 2015**

The Group

	Equity attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Capital contribution reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
Balance as at 1 January 2014 (audited)	3,547	28,716	52,677	-	-	(65,122)	19,818	-	19,818
Issue of shares upon exercise of warrants	1	1	-	-	-	-	2	-	2
Transactions with owners	1	1	-	-	-	-	2	-	2
Profit for the year and total comprehensive income for the year	-	-	-	-	-	6,566	6,566	-	6,566
Balance as at 31 December 2014 and 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 (unaudited)	4,048	37,053	52,677	1,041	1,700	(73,286)	23,233	172	23,405

Statement of Changes in Equity (continued)
For the year ended 31 December 2015

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 2014 (audited)	3,547	28,716	75,659	-	(100,602)	7,320
Issue of shares upon exercise of warrants	1	1	-	-	-	2
Share issuing expense	-	-	-	-	-	-
Transactions with owners	1	1	-	-	-	2
Total comprehensive income for the year	-	-	-	-	(3,547)	(3,547)
Balance as at 31 December 2014 and 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 (unaudited)	<u>4,048</u>	<u>37,053</u>	<u>75,659</u>	<u>1,041</u>	<u>(111,914)</u>	<u>5,887</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 2015 and 31 December 2015, ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
As at 1 January 2015	354,670,733	3,548
Issue of 50,000,000 new shares	<u>50,000,000</u>	<u>500</u>
As at 30 June 2015 and 31 December 2015, ordinary shares of HK\$0.01 each	<u>404,670,733</u>	<u>4,048</u>

Convertibles

During the financial year ended 31 December 2015 the Company issued:

- (i) 18,173,980 warrants (the “**2015 Warrants**”) convertible into 18,173,980 ordinary shares of the Company;
- (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;
- (iii) 9,000,000 share options convertible into 9,000,000 ordinary shares of the Company (please refer to note (4) of the Explanatory Notes); and
- (iv) 12,000,000 share options convertible into 12,000,000 ordinary shares of the Company (please refer to note (3) of the Explanatory Notes).

As at 31 December 2015, 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 2015	As at 31 December 2014
	(Unaudited)	(Audited)
Total number of shares that may be issued on conversion of the Company's warrants ⁽¹⁾⁽²⁾	125,517,428	107,343,448
Total number of shares that may be issued on conversion of the Company's convertible bonds ⁽²⁾	35,034,597	-
Total number of shares that may be issued on conversion of the Company's share options ⁽³⁾⁽⁴⁾	21,000,000	-

Explanatory Notes:

- (1) The warrants outstanding comprised of 18,173,980 2015 Warrants and 107,343,448 warrants issued in January 2011 (the “**2011 Warrants**”), convertible into 18,173,980 and 107,343,448 ordinary shares of the Company respectively. The 2011 Warrants have an exercise price of S\$0.05 per share and an expiry date of 25 January 2016.
- (2) The 2015 Warrants have an exercise price of S\$0.10 per share and an expiry date of 23 February 2021. Due to an insufficient spread of holdings of the 2015 Warrants and the Convertible Bonds, the 2015 Warrants and the Convertible Bonds have not been listed and quoted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Accordingly, the holders of the 2015 Warrants and the holders of the Convertible Bonds will not be able to trade their 2015 Warrants and their Convertible Bonds on the SGX-ST. However, if a 2015 Warrant holder and a Convertible Bonds holder were to exercise his rights, subject to the terms and conditions of the 2015 Warrants and the Convertible Bonds, to convert the 2015 Warrants and the Convertible Bonds into new shares (“**New Shares**”), such New Shares will be listed and quoted on the SGX-ST. Please refer to the announcement and Offer Information Statement in relation to the 2015 Warrants and the Convertible Bonds dated 23 February 2015 and 26 January 2015 respectively.
- (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 25 May 2015, the Company granted share options (the “**May 2015 Options**”) under the Joyas Share Option Scheme to certain Directors of the Company. Nine (9) million of May 2015 Options were granted was at the exercise price of S\$0.03, convertible into 9,000,000 ordinary shares 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.

No warrants, convertible bonds and share options have been exercised during the period under review.

Save for the above, there were no other outstanding convertibles as at 31 December 2015.

Use of net proceeds from the issue of 2015 Warrants

As previously disclosed in the six months period ended 30 June 2015 results announcement, the net proceeds from the issue of 2015 Warrants Issue was nil, after deducting professional fees and related expenses.

Use of net proceeds from the issue of Convertible Bonds

The Group's utilisation of the net proceeds of approximately S\$3.3 million from the issue of Convertible Bonds 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)
Exploration of and investment in business opportunities in the Nickel Distribution and Trading Business	2,640	2,640	-
General working capital purposes, including the general purchase of inventories and payment of operating expenses	660	300 ¹	360
Total	3,300	2,940	360

¹ The amount of net proceeds utilised for general working capital was used for administrative expenses was approximately S\$200,000 and settlement of accounts payable was approximately S\$100,000.

The allocation and utilisation of the net proceeds from the issue of Convertible Bonds Issue is in accordance with the intended use as stated in the announcements in relation to the issue of 2015 Warrants and Convertible Bonds.

Use of net proceeds from the issuance 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	-
Potential investments and acquisitions	770.5	-	770.5
Total	1,541	770.5	770.5

¹ The amount of net proceeds utilised for general working capital was used for administrative expenses was approximately S\$470,500 and settlement of accounts payable was approximately S\$300,000).

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.

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 2015 (Unaudited)	As at 31 December 2014 (Audited)
Total number of issued shares	404,670,733	354,670,733
Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>404,670,733</u>	<u>354,670,733</u>

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 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 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning from 1 January 2015. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

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	
	2015	2014
	(Unaudited)	(Audited)
(Loss)/profit for the year attributable to owners of the Company (HK\$'000)	<u>(14,730)</u>	<u>6,566</u>
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	<u>382,479</u>	<u>354,671</u>
Basic and diluted (loss)/earnings per ordinary share ⁽²⁾ (HK cents)	<u>(3.85)</u>	<u>1.85</u>

Notes:

- (1) The weighed average number of ordinary shares is based on the number of shares issued during the respective financial years.
- (2) For the years ended 31 December 2015 and 2014, basic earnings per ordinary share are same as diluted earnings per ordinary share because the exercise prices of share options and warrants are higher than the average market prices for shares for both 2015 and 2014 and the exercise of convertible bonds would result in a decrease in loss per share in 2015.

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.**

The Group

	As at	As at
	31 December 2015	31 December 2014
	(Unaudited)	(Audited)
Net asset value per ordinary share (HK cents)	<u>5.74</u>	<u>7.44</u>

The Company

	(Unaudited)	(Audited)
Net asset value per ordinary share (HK cents)	<u>1.45</u>	<u>1.06</u>

Net asset value per ordinary share is calculated based on the total number of issued shares as at 31 December 2015 and 31 December 2014 of 404,670,733 and 354,670,733 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 increased by approximately 14.2% from HK\$81.9 million in FY2014 to approximately HK\$93.6 million in FY2015.

Revenue	FY2015		FY2014		Year-on-year % change
	HK\$'000	%	HK\$'000	%	
Metal Gift Products	43,398	46.4	60,272	73.6	(28.0)
Jewellery Products	22,094	23.6	21,658	26.4	2.0
Nickel Ore	28,085	30.0	-	-	100.0
Total	93,577	100.0	81,930	100.0	14.2

The increase in sales was attributable to (a) the sale of nickel ore amounted to approximately HK\$28.1 million in the People's Republic of China (including Hong Kong) (the "PRC (including HK)"); and (b) increase in sales of jewellery products by approximately HK\$0.4 million or 2.0% to approximately HK\$22.1 million in FY2015. The increase in sales of jewellery products was mainly due to increase in demand from existing and new customers from the Group's principal markets in the PRC (including HK).

The increase in sales of jewellery products and nickel ore was partially offset by a decrease in sales of metal gift products by approximately HK\$16.9 million or 28.0% from approximately HK\$60.3 million in FY2014 to approximately HK\$43.4 million in FY2015. This was mainly due to decrease in sales in the PRC (including HK) by approximately HK\$12.4 million or 44.2% as well as weaker demand from customers of other geographical locations.

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		
	FY2015 HK\$'000	FY2014 HK\$'000	Change %	FY2015 HK\$'000	FY2014 HK\$'000	Change %	FY2015 HK\$'000	FY2014 HK\$'000	Change %
USA	17,323	18,801	(7.9)	3,936	4,148	(5.1)	-	-	-
Europe	9,141	10,443	(12.5)	-	-	-	-	-	-
The PRC (including HK)	15,623	27,974	(44.2)	18,023	17,275	4.3	28,085	-	100.0
Others ⁽¹⁾	1,311	3,054	(57.1)	135	235	(42.6)	-	-	-
Total turnover	43,398	60,272	(28.0)	22,094	21,658	2.0	28,085	-	100.0

Note:-

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

Cost of sales and gross profit

Cost of sales increased by 16.3% from approximately HK\$75.7 million in FY2014 to approximately HK\$88.0 million in FY2015. The higher cost of sales was mainly due to (a) purchases of nickel ore for approximately HK\$25.2 million in FY2015; and (b) higher write-down of inventories of approximately HK\$5.7 million in FY2015 (FY2014: HK\$4.2 million) due to slow moving inventories. The increase was partly offset by a decrease in subcontracting charge of approximately HK\$1.0 million in FY2015 due to reduced metal gift product sales and lower depreciation charges of approximately HK\$656,000 as a result of the increase in fully depreciated fixed assets.

The decline in the overall gross profit margin of the Group from 7.6% in FY2014 to 6.0% in FY2015 was mainly attributable to lower profit margin of the metal gift business and the jewellery business, offset by the profit margin from the newly acquired nickel ore trading business. For similar reasons, the Group's gross profit decreased by 10.9% from approximately HK\$6.3 million in FY2014 to approximately HK\$5.6 million in FY 2015.

Other income

Other income decreased by 90.9% from approximately HK\$15.9 million in FY2014 to approximately HK\$1.4 million in FY2015. The decrease was mainly attributed to the absence of the gain on disposals of property, plant and equipment of approximately HK\$7.7 million and investment properties of approximately HK\$7.9 million that was generated in FY2014. The decrease is partly offset by the gain of fair value of warrants of approximately HK\$692,000 and exchange gains, net of approximately HK\$399,000.

Selling and distribution costs

Selling and distribution costs decreased by 32.5% from approximately HK\$2.9 million in FY2014 to approximately HK\$2.0 million in FY2015. The decrease was mainly attributed to the decrease in staff related expenses as a result of the downsizing of staff for the metal gift products sector and lower costs of advertising and exhibition due to the implementation of cost cutting measures.

Administrative expenses

Administrative expenses increased by 25.6% from approximately HK\$11.4 million in FY2014 to approximately HK\$14.3 million in FY2015. The increase was mainly attributed to increase of legal and professional fees of approximately HK\$2.2 million in relation to the various fund raising activities by the Company during the year.

Other operating expenses

Other operating expenses increased by approximately HK\$3.3 million from approximately HK\$23,000 in FY2014 to approximately HK\$3.3 million in FY2015. The increase was mainly due to the loss on disposal of property, plant and equipment in particular machineries and moulds in metal gift operations of approximately HK\$3.2 million as they were no longer used.

Finance costs

Finance costs increased by 92.3% from approximately HK\$1.0 million in FY2014 to approximately HK\$2.0 million in FY2015 due to interest arising from the issue of convertible bonds in FY2015 and increase in bank and other borrowings in FY2015.

(Loss)/ Profit before income tax

The Group had recorded a loss before income tax of approximately HK\$14.5 million in FY2015 and a profit before income tax of approximately HK\$6.8 million in FY2014. The loss was mainly attributed to (a) higher write down of inventories; (b) higher legal and professional fees; and (c) disposals of property, plant and equipment; (d) the absence of gains on disposal of investment properties and property, plant and equipment in FY2015 (FY2014: HK\$15.6 million).

Income tax expense

Income tax expense of approximately HK\$60,000 was provided for the Hong Kong subsidiaries in FY2015 (FY2014: HK\$266,000).

Statement of Financial Position

Non-current assets

Non-current assets decreased by approximately HK\$3.9 million from approximately HK\$12.5 million as at 31 December 2014 to approximately HK\$8.7 million as at 31 December 2015. The decrease was mainly due to disposals of property, plant and equipment in particular machineries and moulds in metal gift operation as they are no longer used.

Current assets

Current assets increased by approximately HK\$22.5 million from approximately HK\$49.8 million as at 31 December 2014 to approximately HK\$72.3 million as at 31 December 2015. The increase was mainly due to (a) increase in deposits, prepayments and other receivables of approximately HK\$22.2 million due mainly to deposit paid to a nickel ore supplier of approximately HK\$22.4 million; and (b) placement of pledged bank deposits of approximately HK\$6.5 million mainly due to proceeds received from the various fund raising activities during FY2015. The increase was partly offset by a decrease in trade receivables of approximately HK\$1.74 million mainly attributable to lower sales from the metal gift products and the decrease in cash and cash balances due to use of funds in working capital.

Current liabilities

Current liabilities increased by approximately HK\$1.5 million from HK\$35.9 million as at 31 December 2014 to approximately HK\$37.4 million as at 31 December 2015. The increase was mainly due to increase in bank and other borrowings by approximately HK\$5.9 million mainly to finance the working capital for the trading of nickel ore. The increase was partly offset by a decrease in trade payables of approximately HK\$4.0 million mainly due to lower sales for metal gift product.

Non-current liabilities

Non-current liabilities increased by approximately HK\$20.2 million from nil as at 31 December 2014 to approximately HK\$20.2 million as at 31 December 2015. The increase by approximately HK\$20.2 million in FY 2015 was mainly due to the issue of the convertible bonds and warrants during the year.

Liquidity and cash flow

During FY2015, the Group's net cash used in operating activities was approximately HK\$23.3 million. This was mainly attributed to decrease in trade payables of

approximately HK\$4.0 million and decrease in other payables and accruals of approximately HK\$17.4 million.

During FY2015, the Group's net cash used in investing activities was approximately HK\$3.1 million. This was mainly attributed to the proceeds from disposals of property, plant and equipment of approximately HK\$100,000, payment to acquire business, net of cash acquired of approximately HK\$333,000 and increase in pledged bank deposits of HK\$2.8 million.

During FY2015, the Group's net cash generated from financing activities was approximately HK\$24.3 million. This was mainly attributed to the issuance of new shares of approximately HK\$9.2 million and issuance of the convertible bonds of approximately HK\$20.0 million and proceeds from issue of warrants of approximately HK\$1.0 million and capital contribution for non-controlling shareholders of approximately HK\$1.5 million.

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

As at 31 December 2015, the Group had cash and bank balances of approximately HK\$13.8 million (31 December 2014: HK\$15.9 million), and unutilised banking facilities of approximately HK\$1.9 million (31 December 2014: HK\$1.0 million).

During FY2015, the Group had raised funds from bank borrowings of approximately HK\$62.5 million. Repayment of bank borrowings amounted to approximately HK\$68.8 million.

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

The current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 14 August 2015.

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

With flagging economic recovery in the United States and in the Euro zone, the Group expects sales to remain weak in the next 12 months.

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.

Nickel ore

As at 31 December 2015, the Group has received 1.0 million tons (equivalent to approximately USD50.0 million, based on the market price of nickel ore as at 31 December 2015) of orders on hand for nickel ore.

As disclosed in the Company's announcement dated 20 January 2016, there had been unforeseen delays experienced by its nickel ore supplier (the "**Supplier**") in receiving relevant approvals for exporting from the relevant authorities in relation to the Group's shipments of nickel ore (the "**Export Approvals**").

In view of the unforeseen delays of the Supplier receiving such Export Approvals, the Group's shipments of its nickel ore orders (the "**Nickel Ore Orders**") are consequently expected to be delayed. The Supplier has indicated that it may receive the Export Approvals from the relevant authorities within the next three months. Save for the delivery schedule, the Group does not expect the Group's Nickel Ore Orders to be affected by the abovementioned delays.

The Group expects the nickel ore business to be a major contributor to its revenues and profit for the coming year due to the demand for nickel ore from the PRC and the limited number of countries in Asia which can supply nickel ore.

Financing business

Further to the Company's announcement dated 15 May 2015, the Group is in the process of acquiring a company with a money lenders' license instead of applying the money lenders' license for the financing business in order to lower costs. The Group plans to acquire the company in the next three months.

The Group expects the financing business to be able to contribute to the Company's revenue in the next 6-12 months.

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 2015.

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		Nickel ore		Total	
	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Report segment revenue:								
From external customers	<u>43,398</u>	<u>60,272</u>	<u>22,094</u>	<u>21,658</u>	<u>28,085</u>	<u>-</u>	<u>93,577</u>	<u>81,930</u>
Reportable segment (loss)/profit	<u>(5,806)</u>	<u>(3,084)</u>	<u>(2,155)</u>	<u>(411)</u>	<u>942</u>	<u>-</u>	<u>(7,019)</u>	<u>(3,495)</u>
Depreciation of property, plant and equipment	894	1,851	3	3	10	-	907	1,854
Bad debts recovered	-	-	(83)	(108)	-	-	(83)	(108)
Impairment loss on trade receivables	-	-	-	7	-	-	-	7
Write-down of inventories to net realisable value, net	967	696	2,209	1,356	-	-	3,176	2,052
Reportable segment assets	10,308	13,674	22,848	28,090	22,805	-	55,961	41,764
Additions to non-current segment assets during the year	27	280	-	5	9	-	36	285
Reportable segment liabilities	<u>15,629</u>	<u>18,420</u>	<u>4,704</u>	<u>7,365</u>	<u>236</u>	<u>-</u>	<u>20,569</u>	<u>25,785</u>

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:

	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Reportable segment revenues	<u>93,577</u>	<u>81,930</u>
Group revenues	<u>93,577</u>	<u>81,930</u>
Reportable segment loss	(7,019)	(3,495)
Gain on disposals of property, plant and equipment	-	7,500
Gain on disposals of investment properties	-	7,853
Fair value gain on warrants	692	-
Fair value loss on convertible bonds	(122)	-
Unallocated corporate income	424	96
Corporate legal and professional fees	(3,279)	(1,819)
Unallocated corporate expenses	(3,239)	(2,268)
Finance costs	(1,990)	(1,035)
(Loss)/profit before income tax	<u>(14,533)</u>	<u>6,832</u>
Reportable segment assets	55,961	41,764
Pledged bank deposits	6,537	-
Cash and bank balances	13,846	15,923
Other corporate assets	4,640	4,628
Group assets	<u>80,984</u>	<u>62,315</u>
Reportable segment liabilities	20,569	25,785
Bank borrowings	11,815	6,958
Convertible bonds	19,890	-
Warrants	319	-
Other corporate liabilities	4,986	3,186
Group liabilities	<u>57,579</u>	<u>35,929</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	
	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Principal markets:				
USA	21,259	22,949	-	-
Europe	9,141	10,443	-	-
The PRC (including Hong Kong)	61,731	45,249	8,655	12,510
Others	1,446	3,289	-	-
	<u>93,577</u>	<u>81,930</u>	<u>8,655</u>	<u>12,510</u>

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

During the financial year, there was no revenue from external customers attributed to Bermuda (domicile) and no non-current assets were located in Bermuda (2014: Nil). The country of domicile is the country where the Company was incorporated for the purpose of the disclosures 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	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	Change %
Sales reported for the first half	60,444	46,857	29.0
Net profit after tax reported for the first half	800	1,017	(21.3)
Sales reported in the second half	33,133	35,073	(5.5)
Net (loss)/ profit after tax reported in the second half	(15,393)	5,549	(377.4)

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

No dividend has been declared or recommended for FY2015 and FY2014.

17. Summary of Interested Person Transactions for the financial year ended 31 December 2015.

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. 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	42	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	57	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>	Nil

			<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>	
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BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
29 February 2016

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 Catalist. 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.