



Joyas International Holdings Limited

(Incorporated in Bermuda)

Company Registration Number: 38991

Financial Statements And Related Announcement
For the half year ended 30 June 2020

JOYAS INTERNATIONAL HOLDINGS LIMITED

Half Year Financial Statement And Related Announcement

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 Profit Or Loss And Other Comprehensive Income For the first half year ended 30 June 2020 (“1H20”)

The Group

	Six months ended 30 June		Change %
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	
Revenue	700	1,098	(36.2)
Other income	497	37	1243.2
Administrative expenses	(1,889)	(2,137)	(11.6)
Other operating expenses			
-Impairment loss on trade and other receivable	-	(24,377)	(100.0)
Finance costs	(304)	(753)	(59.6)
Share of profit of an associate	-	161	(100.0)
Loss before taxation	<u>(996)</u>	<u>(25,971)</u>	(96.2)
Taxation	-	-	-
Loss for the period	<u><u>(996)</u></u>	<u><u>(25,971)</u></u>	(96.2)
Other comprehensive loss after tax:			
Other comprehensive loss for the period, net of tax of nil	<u>-</u>	<u>-</u>	-
Total comprehensive loss for the period	<u><u>(996)</u></u>	<u><u>(25,971)</u></u>	(96.2)
Loss for the period attributable to			
Owners of the Company	(989)	(25,899)	(96.2)
Non-controlling interests	<u>(7)</u>	<u>(72)</u>	(90.3)
	<u><u>(996)</u></u>	<u><u>(25,971)</u></u>	(96.2)
Total comprehensive loss for the period attributable to:			
Owners of the Company	(989)	(25,899)	(96.2)
Non-controlling interests	<u>(7)</u>	<u>(72)</u>	(90.3)
	<u><u>(996)</u></u>	<u><u>(25,971)</u></u>	(96.2)

**Notes to Consolidated Statement Of Profit Or Loss And Other Comprehensive
Income
For the first half year ended 30 June 2020**

The Group's loss for the period is arrived at after charging/(crediting):

	Six months ended 30 June		Change %
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	
Interest income	(8)	(37)	(78.4)
Operating lease expense in respect of rental premises	154	154	-
Impairment loss on trade and other receivable	-	24,377	(100.0)
Exchange (gain) / loss, net	(489)	4	(12325.0)
Interest expenses	<u>304</u>	<u>753</u>	(59.6)

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.

**Consolidated Statement of Financial Position
As at 30 June 2020**

The Group

	As at 30 June 2020 (Unaudited) HK\$'000	As at 31 December 2019 (Published#) HK\$'000
Assets		
Non-current assets		
Property, plant and equipment	1	1
	<u>1</u>	<u>1</u>
Current assets		
Trade and other receivables	9,439	17,511
Cash and cash equivalents	3,112	16,652
	<u>12,551</u>	<u>34,163</u>
Total assets	<u><u>12,552</u></u>	<u><u>34,164</u></u>
Equity		
Capital and reserves		
Share capital	19,139	19,139
Accumulated losses	(120,364)	(122,017)
Other reserves	109,685	112,327
	<u>8,460</u>	<u>9,449</u>
Attributable to the owners of the Company	8,460	9,449
Non-controlling interests	<u>(130)</u>	<u>(123)</u>
Total equity	<u><u>8,330</u></u>	<u><u>9,326</u></u>
Liabilities		
Non-current liabilities		
Warrants	-	35
	<u>-</u>	<u>35</u>
Current liabilities		
Trade and other payables	1,907	2,089
Borrowings	1,926	900
Current tax liabilities	354	354
Warrants	35	-
Convertible bonds	-	21,460
	<u>4,222</u>	<u>24,803</u>
Total liabilities	<u><u>4,222</u></u>	<u><u>24,838</u></u>
Total equity and liabilities	<u><u>12,552</u></u>	<u><u>34,164</u></u>

As per published accounts in the Annual Report of the Company for the financial year ended 31 December 2019.

**Statement of Financial Position
As at 30 June 2020**

The Company

	As at 30 June 2020 (Unaudited) HK\$'000	As at 31 December 2019 (Published) HK\$'000
Assets		
Non-current assets		
Investment in subsidiaries	<u>8</u>	<u>8</u>
Current assets		
Trade and other receivables	15,825	24,513
Cash and bank balances	<u>474</u>	<u>565</u>
	<u>16,299</u>	<u>25,078</u>
Total assets	<u><u>16,307</u></u>	<u><u>25,086</u></u>
Equity		
Capital and reserves		
Share capital	19,139	19,139
Accumulated losses	(144,011)	(145,942)
Other reserves	<u>127,170</u>	<u>129,812</u>
Total equity	<u>2,298</u>	<u>3,009</u>
Liabilities		
Non-current liabilities		
Warrants	<u>-</u>	<u>35</u>
	<u>-</u>	<u>35</u>
Current liabilities		
Trade and other payables	13,974	582
Warrants	35	-
Convertible bonds	<u>-</u>	<u>21,460</u>
	<u>14,009</u>	<u>22,042</u>
Total liabilities	<u>14,009</u>	<u>22,077</u>
Total equity and liabilities	<u><u>16,307</u></u>	<u><u>25,086</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 30 June 2020 (Unaudited)		As at 31 December 2019 (Published)	
Secured HK\$'000	Unsecured HK\$'000	Secured HK\$'000	Unsecured HK\$'000
972	954	-	22,360

Amount repayable after one year

As at 30 June 2020 (Unaudited)		As at 31 December 2019 (Published)	
Secured HK\$'000	Unsecured HK\$'000	Secured HK\$'000	Unsecured HK\$'000
-	-	-	-

As at 30 June 2020, the Group's other borrowings amounted to approximately HK\$954,000 (31 December 2019: approximately HK\$900,000). Other borrowing is unsecured and bears interest of 12% (31 December 2019 – 12%) per annum and repayable on demand.

As at 30 June 2020, the Group has no outstanding convertible bonds (31 December 2019: approximately S\$3.5 million, equivalent to approximately HK\$21.5 million). The outstanding convertible bonds as at 31 December 2019 were fully redeemed in cash on 21 February 2020.

Details of any collateral

As at 30 June 2020, the banking facilities granted to the Group amounted to approximately HK\$1.7 million (31 December 2019: approximately HK\$5.5 million) of which approximately HK\$972,000 (31 December 2019: Nil) were utilised. These facilities were secured by legal charges over certain bank deposits of the Group of approximately HK\$1.7 million, and personal guarantee was provided by a non-executive director of the Company.

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 first half year ended 30 June 2020**

The Group

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cash flows from operating activities:		
Loss before taxation	(996)	(25,971)
Adjustments for:		
Interest income	(8)	(37)
Share of results of an associate	-	(161)
Impairment losses of other receivables	-	24,377
Interest expenses	304	753
Operating loss before working capital changes	(700)	(1,039)
Changes in working capital:		
Loan and advances	8,000	2,416
Trade and other receivables	72	630
Trade and other payables	(182)	57
Cash generated from operations	7,190	2,064
Hong Kong profit tax paid	-	-
Net cash generated from operating activities	7,190	2,064
Cash flows from investing activities		
Interest received	8	37
Net cash inflow from disposal of subsidiaries (note)	-	4,500
Net cash generated from investing activities	8	4,537
Cash flows from financing activities		
Interest paid on convertible bonds	(1,365)	(1,426)
Interest paid on bank borrowings	(23)	-
Redemption of convertible bonds	(20,322)	-
Proceeds from bank borrowings	4,494	-
Repayment of bank borrowings	(3,522)	-
Decrease / (increase) in pledged bank deposits	3,862	(34)
Net cash used in financing activities	(16,876)	(1,460)
Net (decrease) / increase in cash and cash equivalents	(9,678)	5,141
Cash and cash equivalents at the beginning of the period	11,123	6,477
Cash and cash equivalents at the end of the period	1,445	11,618

Consolidated Statement of Cash Flows (Continued)
For the first half year ended 30 June 2020

The Group

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Analysis of balances of cash and cash equivalents at the end of the period:		
Cash and bank balances	1,445	11,618
Pledged bank deposit	1,667	5,495
	<u>3,112</u>	<u>17,113</u>

Note:

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Analysis of net cash inflow arising on disposal of Joyas Group Limited and its subsidiaries (the “ Disposal of JGL Group ”):		
Cash consideration received	<u>-</u>	<u>4,500</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.

**Consolidated Statement of Changes in Equity
For the first half year ended 30 June 2020**

The Group

	Equity attributable to owners of the Company									
	Share capital	Share premium	Contributed surplus	Share option reserve	Capital contribution reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2020 (published)	19,139	51,180	52,677	2,973	5,306	191	(122,017)	9,449	(123)	9,326
Contributions by and distribution to owners										
- Equity- settled share based payment transaction	-	-	-	(2,642)	-	-	2,642	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	(2,642)	-	-	2,642	-	-	-
Loss for the period	-	-	-	-	-	-	(989)	(989)	(7)	(996)
At 30 June 2020 (unaudited)	19,139	51,180	52,677	331	5,306	191	(120,364)	8,460	(130)	8,330
At 1 January 2019 (published)	19,139	51,180	52,677	2,725	5,306	94	(94,833)	36,288	(566)	35,722
Loss for the period	-	-	-	-	-	-	(25,899)	(25,899)	(72)	(25,971)
At 30 June 2019 (unaudited)	19,139	51,180	52,677	2,725	5,306	94	(120,732)	10,389	(638)	9,751

**Statement of Changes in Equity
For the first half year ended 30 June 2020**

The Company

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 January 2020 (published)	19,139	51,180	75,659	2,973	(145,942)	3,009
Contributions by and distribution to owners						
- Equity- settled share based payment transaction	-	-	-	(2,642)	2,642	-
Total transactions with owners, recognised directly in equity	-	-	-	(2,642)	2,642	-
Loss for the period	-	-	-	-	(711)	(711)
Total comprehensive loss for the period	-	-	-	-	(711)	(711)
At 30 June 2020 (unaudited)	<u>19,139</u>	<u>51,180</u>	<u>75,659</u>	<u>331</u>	<u>(144,011)</u>	<u>2,298</u>
At 1 January 2019 (published)	19,139	51,180	75,659	2,725	(115,157)	33,546
Loss for the period	-	-	-	-	(26,381)	(26,381)
Total comprehensive loss for the period	-	-	-	-	(26,381)	(26,381)
At 30 June 2019 (unaudited)	<u>19,139</u>	<u>51,180</u>	<u>75,659</u>	<u>2,725</u>	<u>(141,538)</u>	<u>7,165</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 . State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 31 December 2019 and 30 June 2020, ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
As at 31 December 2019 and 30 June 2020, ordinary shares of HK\$0.01 each	1,913,776,973	19,139

There was no change in the Company's share capital from 31 December 2019 to 30 June 2020.

The Group had the following outstanding convertible securities as at 30 June 2020 and 30 June 2019. The number of shares that could have been issued on conversion of all of the Company's outstanding convertible securities are as follows:

Outstanding Convertible Securities	As at 30 June 2020	As at 30 June 2019
Warrants	26,924,415	26,924,415
Convertible Bonds	-	76,162,167
Share Options	32,000,000	53,000,000

The number of shares that can be issued on conversion of all of the Company's outstanding warrants, convertible bonds and share options are as follows:

	As at 30 June 2020	As at 30 June 2019
<u>Warrants</u>		
Total number of shares that may be issued on conversion of the Company's outstanding warrants ⁽¹⁾	26,924,415	26,924,415
<u>Convertible Bonds</u>		
Total number of shares that may be issued on conversion of the Company's convertible bonds ⁽¹⁾	-	76,162,167

<u>Share Options</u>		
Total number of shares that may be issued on conversion of the Company's share options (2)(3) (4)	32,000,000	53,000,000

Notes:

- (1) For the details in relation to the Warrants and the Convertible Bonds, please refer to the Company's announcements dated 23 February 2015 and 20 March 2017. The Warrants have an expiry date of 23 February 2021 and the Convertible Bonds were fully redeemed on 21 February 2020.
- (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. Accordingly, the May 2015 Options have lapsed on 24 May 2020. 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. Accordingly, the Feb 2015 Options have lapsed on 15 February 2020. 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. The August 2016 Options will lapse on 19 August 2021. Please refer to the announcement in relation to the August 2016 Options dated 19 August 2016.

The total number of issued shares of the Company as at 30 June 2020 and 30 June 2019 was 1,913,776,973 shares respectively.

The Company did not have treasury shares and subsidiary holdings as at the end of the respective financial periods.

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.

The Company and the Group	As At 30 June 2020	As At 31 December 2019
Total number of issued shares	1,913,776,973	1,913,776,973
	=====	=====

There were no treasury shares as at 30 June 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings 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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The auditors have issued a disclaimer of opinion on the Group's financial statements for the financial year ended 31 December 2019 ("FY2019") the basis for which has been disclosed on pages 14 and 15 of the Company's Annual Report for FY2019 ("AR2019").

The outstanding audit issues are as follows:

i) Comparative figure.

The Independent Auditors' opinion on the FY2019 financial statements is modified because of the possible effects of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 December 2018 ("FY2018") on the comparability of the FY2019 figures and the FY2018 comparative figures.

The above audit issue will not affect the Group's financial statements for the financial year ending 31 December 2020 ("FY2020") as no FY2018 comparative figures will be presented in the FY2020 financial statements.

ii) Deposit paid to supplier and trade payable owing to the supplier.

The auditors' qualifications in respect of the matter were as follows:

The auditors were also unable to obtain sufficient appropriate audit evidence on the recoverability of the deposits paid to the supplier. Consequently, the auditor's report of the Group for the financial year ended 31 December 2018 included a disclaimer of opinion on the appropriateness of the carrying amount of the deposits paid and trade payable owing to the supplier as at 31 December 2018 and the recoverability of the deposits paid to the supplier. They were unable to determine whether the opening balance of deposits paid and trade payable owing to the supplier amounting to HK\$24,377,000 and HK\$10,531,000 respectively as at 1 January 2019 were fairly presented.

During the financial year ended 31 December 2019, deposits of HK\$24,377,000 paid to a supplier was fully impaired and trade payable owing to the same supplier of HK\$10,531,000 was fully written back to profit or loss. In addition, the Group wrote back amounts of HK\$5,673,000 due to related parties.

The auditors were unable to determine how much of the impairment loss on deposits paid of HK\$24,377,000, write back of trade payables of HK\$10,531,000 and write back of amounts due to related parties of HK\$5,673,000, if any recorded during the financial year ended 31 December 2019 relates to the profit or loss in prior years. Consequently, they were unable to determine whether any adjustments might be necessary to the profit or loss for the financial year ended 31 December 2019 and opening accumulated losses as at 1 January 2019 of the Group.

Since the opening balance as at 1 January 2019 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2019, the auditors were unable to determine whether adjustments might have been found necessary in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2019 and their opinion on the FY 2019's financial statements is also modified because of the possible effect of these matters on the comparability of the FY2019's figures and the corresponding figures.

The above audit issue is not expected to have an impact on the financial statements of the Group for FY2020 as impairment provision for the Deposit has been fully made in FY2019 and no further provision is required and no write-back of the provision is envisaged. The matter may be mentioned in the audit report for FY2020 due to the effect on the FY2019 comparative figures presented.

Please refer to paragraph 10 of this announcement for further details and actions taken to recover the Deposit.

iii) Disposal of subsidiaries of JGL Group

This item had only been included in the Basis for Disclaimer of Opinion for FY2019 due to comparability of the figures as set out in the Group's financial statements for FY2019 and the comparative figures as set out in the Group's audited financial statements for FY2018.

The above audit issue will not affect the Group's financial statements for FY2020 as no FY2018 comparative figures will be presented in the FY2020 financial statements.

iv) Unaudited financial information, impairment of investment in associate and impairment of amount due from an associate

The audit matter was in respect of the impairment losses in FY2019 on (i) the investment in associate of HK\$ 3,355,000 and (ii) the amount due from associate of HK\$ 10,672,000.

In respect of the investment in associate, the auditors were not able to obtain reasonable assurance that the recorded gross investment in associate of HK\$2,935,000 as at 31 December 2018 is not misstated. Since the opening balance as at 1 January 2019 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2019, the auditors were unable to determine whether adjustments might have been found necessary in respect of the consolidated financial statements of the Group for the financial year ended 31 December 2019.

And in view of the matters described above, the auditors were also not able to obtain reasonable assurance that the recorded gross investment in associate of HK\$3,355,000 as at 31 December 2019 and the impairment loss on investment in associate of HK\$3,355,000 recognised during the financial year are not misstated.

In respect of the amount due from associate, the auditor's report of the Group for the financial year ended 31 December 2018 included a disclaimer on the recoverability of the amount due from associate as they were not able to obtain sufficient appropriate evidence that the amount due from associate is recoverable. They were therefore unable to determine how much of the impairment loss on amount due from associate of HK\$10,672,000 recognised for the financial year ended 31 December 2019, if any relates to the profit or loss in prior years.

The above audit issue will have no effect on the financial statements for FY2020 as the investment in associate and the amount due from the associate had been fully provided for in FY2019 and no further provision is required in FY2020. However, the auditors may mention it in the auditors' report for FY2020 due to the effect on the FY2019 comparative figures.

v) Impairment of amount due from subsidiaries

The audit issue is of the impairment provision of HK\$25,958,000 (2018 – HK\$Nil) made during the financial year ended 31 December 2019 in the accounts of the Company in respect of the amount due from subsidiaries of HK\$50,433,000 at 31 December 2019 (2018 –HK\$50,089,000).

The auditor's report of the Group for the financial year ended 31 December 2018 included a basis for disclaimer on the impairment of the amount due from subsidiaries as the auditors were unable to determine if impairment on the receivable is required as they were unable to assess the feasibility of management's plans for future recovery of this amount due to insufficient appropriate evidence. Accordingly, they are unable to determine how much of the impairment loss on amount due from subsidiaries of

HK\$25,958,000 in FY2019, if any relates to the profit or loss in prior years. Consequently, they were unable to determine whether any adjustments might be necessary to the profit or loss for the financial year ended 31 December 2019 and opening accumulated losses as at 1 January 2019 of the Company.

The above audit matter will not have an effect on the financial statements for FY2020 though the auditors may mention it in the auditors' report for FY2020 due to the effect on the FY2019 comparatives.

The Board confirms that the impact of all outstanding audit issues, if applicable, on the financial statements of the Group for 1H20 have been adequately disclosed.

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 period as those adopted in the audited financial statements for the financial year ended 31 December 2019, except as set out in Paragraph 5 below.

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.

The Group adopted the revised International Financial Reporting Standards and interpretations ("IFRS") that are effective for application from 1 January 2020. The adoption of these revised IFRS and interpretation did not result in material changes to the Group's accounting policies and does not have any material effect on the financial statements of the Group for the current financial period.

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

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	<u>(989)</u>	<u>(25,899)</u>
Weighted average number of ordinary shares in issue ⁽¹⁾	<u>1,913,776,973</u>	<u>1,913,776,973</u>
Basic and diluted loss per ordinary share ⁽²⁾ (HK cents)	<u>(0.05)</u>	<u>(1.35)</u>

Notes:

- (1) The weighted average number of ordinary shares is based on the number of shares issued during the respective financial periods.

- (2) For the financial periods ended 30 June 2020 and 2019, basic loss per ordinary share are the same as diluted loss per ordinary share because the exercise prices of share options and warrants are higher than the average market prices of the Company's shares for both financial periods and the exercise of convertible bonds would result in a decrease in loss per share in the financial period ended 30 June 2019 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 30 June 2020 (Unaudited)	As at 31 December 2019 (Published)	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Published)
Net asset value per ordinary share based on issued share capital (HK cents)	0.44	0.49	0.12	0.16

Net asset value per ordinary share is calculated based on the total number of issued shares as at 30 June 2020 and 31 December 2019 of 1,913,776,973 ordinary shares respectively. There were no treasury shares as at the respective financial periods.

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 profit or loss and other comprehensive income

Revenue

The Group's revenue decreased by approximately HK\$398,000 or 36.2% from approximately HK\$1.10 million for the six months ended 30 June 2019 ("1H19") to approximately HK\$700,000 for 1H20.

The decrease in revenue was solely attributed to the decrease in interest income from the financing business due to a decrease in amount of loan disbursements in the Peoples' Republic of China (including Hong Kong) (the "PRC (including HK)") during 1H20 compared to 1H19.

All of the Group’s revenue were from the PRC (including HK).

	Financing Activities		
	IH20	IH19	Change
	HK'000	HK'000	%
The PRC (including HK)	700	1,098	(36.2)

The Company did not generate revenue from its nickel ore trading business during 1H19 and 1H20 as the subsidiary engaged in the nickel ore trading business namely Hong Kong Silver Basic Group Limited (“**HK Silver**”) was dormant.

Other income

Other income increased by approximately HK\$460,000 or 1243.2% from approximately HK\$37,000 in 1H19 to approximately HK\$497,000 in 1H20. This was mainly attributed to an increase in exchange gain in 1H20 which resulted from movement in foreign currency exchange rate in relation to settlement of convertible bonds in 1H20 as the convertible bonds were denominated in S\$ and S\$ has weakened against the HK\$ during the relevant period.

Administrative expenses

Administrative expenses decreased by approximately HK\$248,000 or 11.61% from approximately HK\$2.14 million in 1H19 to approximately HK\$1.89 million in 1H20. This was mainly attributed to lower expenses for the Nickel Ore operation due to decrease in salary as a result of reduction in the number of staff.

Finance costs

Finance costs decreased by approximately HK\$449,000 or 59.6% from approximately HK\$753,000 in 1H19 to approximately HK\$304,000 in 1H20 due to redemption of the convertible bonds in February 2020. It was partially offset by an increase in interest paid on borrowings as a result of higher utilization of bank loans during 1H20.

Other operating expenses

Other operating expenses decreased by approximately HK\$24.38 million as there was no impairment loss in 1H20. The Group had impairment loss on trade and other receivable of approximately HK\$24.38 million in 1H19 arising from the full provision made for the deposit paid to a supplier in the Philippines for the purchases of nickel ore (“**Deposit**”).

Share of profit / (loss) of an associate

The associate, PTGLI has incurred losses of approximately HK\$ 250,000 in 1H20 but there was no share of loss of associate recognized in 1H20 as the investment in PTGLI had been fully impaired in FY2019 and the Group will no longer further invest or contribute to PTGLI. The share of profit of an associate of approximately HK\$161,000 in 1H19 was comprised mainly of exchange gain from monetary balances due to appreciation of United States Dollars against Indonesia Rupiah.

Loss before taxation

As a result of the above, the Group had recorded a loss before taxation of approximately HK\$996,000 (1H19: approximately HK\$25.97 million).

Statement of financial position

Current assets

Current assets decreased by approximately HK\$21.61 million from approximately HK\$34.16 million as at 31 December 2019 to approximately HK\$12.55 million as at 30 June 2020. This was mainly attributed to (a) a decrease in trade and other receivables due to the repayment of loans and advances from the Group's financing business of approximately HK\$8.0 million and (b) a decrease in cash and cash equivalents due to funds used to redeem the convertible bonds in February 2020.

Current liabilities

Current liabilities decreased by approximately HK\$20.58 million from approximately HK\$24.80 million as at 31 December 2019 to approximately HK\$4.22 million as at 30 June 2020. The decrease was mainly attributed to redemption of convertible bonds in February 2020.

The decrease was partially offset by an increase in borrowings by approximately HK\$1.0 million from approximately HK\$900,000 as at 31 December 2019 to HK\$1.93 million as at 30 June 2020. The increase was mainly attributed to increase in bank loans to finance the working capital of the Group.

Non-current liabilities

Non-current liabilities decreased from approximately HK\$35,000 as at 31 December 2019 to HK\$ Nil as at 30 June 2020 due to reclassification of warrants to current liabilities as the warrants will mature in February 2021.

Other reserve

Other reserve decreased by approximately HK\$2.64 million from approximately HK\$112.33 million as at 31 December 2019 to approximately HK\$109.69 million as at 30 June 2020. The decrease was mainly due to expiry of the Feb 2015 Options on 15 February 2020 and expiry of the May 2015 Options on 24 May 2020.

Liquidity and cash flow

During 1H20, the Group's net cash generated from operating activities was approximately HK\$7.19 million. This was mainly attributed to: (a) decrease in loans and advances of approximately HK\$8.0 million; (b) decrease in trade and other receivables of approximately HK\$72,000; (c) loss before taxation from operations with adjustments for non-cash items of approximately HK\$700,000; and (d) decrease in trade and other payables of approximately HK\$182,000.

The Group's net cash generated from investing activities was approximately HK\$8,000 mainly due to bank interest received.

The Group's net cash used in financing activities was approximately HK\$16.88 million. This was mainly attributed to: (a) reduction of accrued interests and

redemption of the convertible bonds; (b) proceed from bank borrowings of approximately HK\$4.5 million to finance the working capital of the Group and (c) repayment of bank borrowings of approximately HK\$3.5 million.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$9.68 million.

As at 30 June 2020, the Group had cash and cash equivalents of HK\$3.11 million (31 December 2019: HK\$16.65 million). See paragraph 1(c) of this announcement and unutilised banking facilities of approximately HK\$695,000 (31 December 2019: HK\$5.5 million).

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

- (i) The Company had disclosed in its unaudited results for FY2019 that the Group expects its financing business to continue contributing to the Group's revenue for at least the next 6-12 months from the date of the FY2019 results announcement.

As at the date of this announcement, there was no material variance in respect of the statement above.

- (ii) In the Company's announcement dated 22 April 2020, the Company had disclosed that the Group expects interest income of approximately HK\$2 million for FY2020. This would include interest income from existing and new loans, subject to new funds to be raised of approximately HK\$11 million for FY2020 to finance new loans. Such income have been generated in the past based on similar levels of funding and interest rates.

As at the date of this announcement, the management is of the view that the interest income for FY2020 will be lower than the HK\$2 million previously forecasted due to delays in the timing of additional funds. The delay was mainly due to restrictions on travelling and meeting potential investors and the uncertain investment environment due to COVID-19. The management is in the process of negotiation with certain investors in relation to raising of additional funds (by equity or debt or both) to expand the working capital base of the Group. The Group will make an announcement as and when there is any material development.

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.

Nickel ore

For the repayment of the deposit of approximately HK\$24.4 million paid by Hong Kong Silver in 2015 to a supplier in the Philippines (the "Supplier") for the purchase of nickel ore ("Deposit"), Mr Wang De Zhou, the director of HK Silver ("Mr. Wang") had provided a repayment plan to the Company of which the first instalment of approximately US\$50,000 was supposed to commence by end of August 2019 and

would be increased and repaid over a period of time depending on the level of future shipment of nickel ore.

Up to the date of this announcement, there has been no progress in the Group's nickel ore trading business in Philippines or Indonesia and no payment had been recovered in respect of the Deposit. As disclosed under the Company's various announcements up to 22 April 2020, the Group's lawyers had issued demand letters, notification letters and warning letters to relevant parties as part of recovery proceedings to enforce the guarantees and share pledge relating to the credit facility for the funding of the deposit. The Board has been informed that while legal action is in progress, Mr. Wang has proposed to the Group to defer further legal action and management is negotiating with him on the terms of the possible deferment of legal action.

As at the date of this announcement, the Group is proceeding with the necessary legal cause of action to recover all outstanding sums in connection with the Deposit from all relevant parties including Mr. Wang and the minority shareholders of HK Silver, as well as the charge of shares in a mining company which owns a nickel ore mining concession in Indonesia, i.e., Shenniu Indonesia.

Financing business

During 1H20, the Group's financing business has been contributing to the Group's revenue. The Group expects such contribution to remain for at least the next 6-12 months.

As mentioned in paragraph 9 above, the management is in the process of negotiation with certain investors in relation to raising of additional funds (by equity or debt or both) to expand the working capital base of the Group. The Group will make an announcement as and when there is any material development.

Corporate Update

The Group is currently still in negotiation with several potential targets on an acquisition opportunity. No definitive agreement has been reached as of to date.

As the Group is currently only generating revenue from the financing business and has a limited working capital base, the Company may be deemed as a cash company pursuant to Catalist Rule 1017 if it fails to demonstrate the sustainability and viability of the Group's business by, amongst others, (i) improving the financial position of the Group by expanding its working capital base via equity and/or debt; and (ii) increasing the revenue stream of the Group.

The Company will update shareholders via SGXNET as and when there are any material developments on the above matters.

In late December 2019, there was an outbreak of coronavirus (COVID-19) in the PRC (including HK) and other countries which has led to public health and safety concerns and the implementation of certain policies by the governmental authorities to safeguard the health and safety for the general public and to limit the potential impact of the outbreak. At the same time, it has also resulted in significant slow down in economic activities worldwide.

As at to date, to the best knowledge and information of the management, we are not aware of any of our customers experiencing material adverse financial performance due to the outbreak. Nevertheless, the overall regional economy in the PRC (including HK) will remain challenging for the next 6 months. This in turn will affect the Group's future development in the next reporting period and the next 12 months as potential or current customers may be financially affected by the COVID-19.

Based on the assumptions that (i) the Company's plans to improve its financial position by expanding its funding base via equity and/or debt and increasing its revenue streams (see paragraph 9 above) can be implemented on a timely basis; and (ii) there will be no collection problems in the Financing Business in the next 12 months, the Board is of the view that the Company will be able to continue as a going concern in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share...cents.

Not applicable.

(b) (ii) Previous corresponding period ... cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared or recommended for the financial period ended 30 June 2020 as the Company is in the loss position.

- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No general mandate for interested person transaction has been obtained.

There were no interested person transactions with value of S\$100,000 or more entered into by the Company for the financial period under review.

- 14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that all the required undertakings under Rule 720(1) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

- 15. Disclosure of acquisition and sale of shares under Rule 706A**

Not applicable, as the Company did not carry out any acquisition or sale of shares for the current financial period which would require disclosure under Rule 706A.



JOYAS INTERNATIONAL HOLDINGS LIMITED

NEGATIVE ASSURANCE CONFIRMATION

Statement by Directors pursuant to SGX Catalist Listing Rule 705(5)

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Joyas International Holdings Limited which may render these interim financial results for the half year ended 30 June 2020 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
Joyas International Holdings Limited

Lau Chor Beng, Peter
Executive Director and Managing Director

Date: 14 August 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).