



Joyas International Holdings Limited
(Incorporated in Bermuda)
Company Registration Number: 38991

Financial Statements And Related Announcement
For the half year ended 30 June 2016

*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**"), for compliance with 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.

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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 Comprehensive Income For the first half year ended 30 June 2016 (“HY 2016”)

The Group

	Six months ended 30 June		Change %
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	
Revenue	36,770	60,444	(39.2)
Cost of sales	(31,620)	(52,350)	(39.6)
Gross profit	5,150	8,094	(36.4)
Other income	251	127	N.M.
Selling and distribution costs	(1,528)	(1,318)	15.9
Administrative expenses	(5,561)	(5,276)	5.4
(Loss) / profit from operations	(1,688)	1,627	N.M.
Finance costs	(971)	(827)	17.4
Share of loss of an associate	(305)	-	100.0
(Loss) / profit before income tax	(2,964)	800	N.M.
Income tax expense	(297)	-	100.0
(Loss) / profit for the period	(3,261)	800	N.M.
Total comprehensive income for the period	(3,261)	800	N.M.
(Loss) / profit attributable to:			
Owners of the Company	(3,172)	300	N.M.
Non-controlling interests	(89)	500	N.M.
	(3,261)	800	N.M.

N.M.: Not meaningful

**Notes to Consolidated Statement of Comprehensive Income
For the first half year ended 30 June 2016**

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

	Six months ended 30 June		Change %
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	
Interest income	-	(25)	(100.0)
Exchange gain, net –included in other income	(140)	(156)	(10.3)
Depreciation of property, plant and equipment			
- included in cost of sales	341	849	(59.8)
- included in administrative expenses	108	157	(31.2)
Loss on disposal of property, plant and equipment	51	-	100.0
Write-down of inventories to net realisable value, net	1,300	695	87.1
Reversal of impairment losses on trade receivable	-	(7)	(100.0)
Share of loss of an associate	305	-	100.0
Operating lease rentals in respect of rental premises	479	502	(4.6)
Interest expenses	971	827	17.4

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 2016**

The Group

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Non-current assets		
Property, plant and equipment	7,245	8,242
Goodwill	413	413
Investment in an associate	572	-
	<u>8,230</u>	<u>8,655</u>
Current assets		
Inventories	51,326	14,431
Trade receivables	13,689	14,024
Deposits, prepayments and other receivables	3,896	23,393
Prepaid tax	98	98
Pledged time deposits	6,756	6,537
Cash and bank balances	6,328	13,846
	<u>82,093</u>	<u>72,329</u>
Total assets	<u>90,323</u>	<u>80,984</u>
Current liabilities		
Trade payables	27,583	10,427
Other payables and accruals	12,520	13,944
Bank and other borrowings	10,155	12,816
Tax payables	364	183
	<u>50,622</u>	<u>37,370</u>
Net current assets	<u>31,471</u>	<u>34,959</u>
Non-current liabilities		
Convertible bonds	19,183	19,890
Warrants	319	319
	<u>19,502</u>	<u>20,209</u>
Total liabilities	<u>70,124</u>	<u>57,579</u>
Net assets	<u>20,199</u>	<u>23,405</u>
Equity		
Share capital	4,050	4,048
Reserves	16,066	19,185
	<u>20,116</u>	<u>23,233</u>
Equity attributable to the owners of the Company	20,116	23,233
Non-controlling interests	83	172
	<u>20,199</u>	<u>23,405</u>
Total equity	<u>20,199</u>	<u>23,405</u>

Statement of Financial Position
As at 30 June 2016

The Company

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Non-current assets		
Interests in subsidiaries	<u>8</u>	<u>8</u>
Current assets		
Deposits, prepayments and other receivables	72	72
Amount due from subsidiaries	22,436	21,934
Cash and bank balances	<u>701</u>	<u>4,634</u>
	<u>23,209</u>	<u>26,640</u>
Total assets	<u>23,217</u>	<u>26,648</u>
Current liabilities		
Other payables and accruals	<u>423</u>	<u>552</u>
Net current assets	<u>22,786</u>	<u>26,088</u>
Non-current liabilities		
Convertible bonds	19,183	19,890
Warrants	<u>319</u>	<u>319</u>
	<u>19,502</u>	<u>20,209</u>
Total liabilities	<u>19,925</u>	<u>20,761</u>
Net assets	<u>3,292</u>	<u>5,887</u>
Equity		
Share capital	4,050	4,048
Reserves	<u>(758)</u>	<u>1,839</u>
Total equity	<u>3,292</u>	<u>5,887</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 2016		As at 31 December 2015	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
10,155	-	12,816	-

Amount repayable after one year

As at 30 June 2016		As at 31 December 2015	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	-	-	-

Details of any collateral

As at 30 June 2016, the Group's banking facilities granted amounted to approximately HK\$13.1 million (31 December 2015: approximately HK\$13.7 million) of which approximately HK\$9.2 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 guarantee provided by one executive director of the Company as at 30 June 2016.

As at 30 June 2016, the Group's other borrowings granted amounted to approximately HK\$5.9 million (31 December 2015: approximately HK\$5.9 million) of which approximately HK\$1.0 million (31 December 2015: approximately HK\$1.0 million) were utilised. The facilities were secured by personal guarantees from the director, shareholders and employee of a subsidiary.

1(c) A cash flow statement (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 2016**

The Group

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cash flows from operating activities		
(Loss) / profit before income tax	(2,964)	800
Adjustments for:		
Interest income	-	(25)
Depreciation of property, plant and equipment	449	1,006
Share of loss of an associates	305	-
Reversal of impairment losses on trade receivables	-	(7)
Write-down of inventories to net realisable value, net	1,300	695
Loss on disposal of property, plant and equipment	51	-
Interest expenses	971	827
Operating profit before working capital changes	112	3,296
Changes in working capital, net of effects from acquisition of an associate / a subsidiary:		
Inventories	(38,195)	(403)
Trade receivables	335	(804)
Deposits, prepayments and other receivables	19,497	(2,689)
Trade payables	17,156	(7,936)
Other payables and accruals	(2,303)	(686)
Cash used in operations	(3,398)	(9,222)
Interest paid on bank borrowings	(278)	(306)
Hong Kong profit tax paid	(115)	(47)
Net cash used in operating activities	(3,791)	(9,575)
Cash flows from investing activities		
Interest received	-	25
Purchases of property, plant and equipment	(3)	(10)
Proceeds from disposal of property, plant and equipment	500	-
Acquisition of a subsidiary, net of cash acquired	-	(367)
Increase in pledged time deposits	(219)	(15,617)
Net cash generated from / (used in) investing activities	278	(15,969)

Consolidated Statement of Cash Flows (continued)
For the first half year ended 30 June 2016

The Group (continued)

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cash flows from financing activities		
Proceeds from issuance of new shares and warrants	55	10,251
Share issuing expenses	-	(1,444)
Proceeds from issuance of convertible bonds	-	19,970
Interest paid on convertible bonds	(1,398)	-
Proceeds from new bank borrowings	3,900	21,840
Repayment of bank borrowings	(6,562)	(18,160)
Net cash (used in)/ generated from financing activities	<u>(4,005)</u>	<u>32,457</u>
Net (decrease) / increase in cash and cash equivalents	(7,518)	6,913
Cash and cash equivalents at the beginning of the period	13,846	15,923
Effect of foreign exchange rate changes	-	-
Cash and cash equivalents at the end of the period	<u>6,328</u>	<u>22,836</u>
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	<u>6,328</u>	<u>22,836</u>
Cash and cash equivalents at the end of the period	<u>6,328</u>	<u>22,836</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 2016

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		
As 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 exercise of warrants	2	53	-	-	-	-	55	-	55
Transactions with owners	2	53	-	-	-	-	55	-	55
Loss for the period	-	-	-	-	-	(3,172)	(3,172)	(89)	(3,261)
Total comprehensive income for the period	-	-	-	-	-	(3,172)	(3,172)	(89)	(3,261)
As 30 Jun 2016 (unaudited)	<u>4,050</u>	<u>37,106</u>	<u>52,677</u>	<u>1,041</u>	<u>1,700</u>	<u>(76,458)</u>	<u>20,116</u>	<u>83</u>	<u>20,199</u>
As 1 January 2015 (audited)	3,548	28,717	52,677	-	-	(58,556)	26,386	-	26,386
Issue of warrants	-	1,035	-	-	-	-	1,035	-	1,035
Issue of share upon placing	500	8,716	-	-	-	-	9,216	-	9,216
Share issue expenses	-	(1,444)	-	-	-	-	(1,444)	-	(1,444)
Transactions with owners	500	8,307	-	-	-	-	8,807	-	8,807
Acquisition of a subsidiary	-	-	-	-	-	-	-	123	123
Profit for the period	-	-	-	-	-	300	300	500	800
Total comprehensive income for the period	-	-	-	-	-	300	300	500	800
As 30 Jun 2015 (unaudited)	<u>4,048</u>	<u>37,024</u>	<u>52,677</u>	<u>-</u>	<u>-</u>	<u>(58,256)</u>	<u>35,493</u>	<u>623</u>	<u>36,116</u>

**Statement of Changes in Equity
For the first half year ended 30 June 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 equity HK\$'000
As 1 January 2016 (audited)	4,048	37,053	75,659	1,041	(111,914)	5,887
Issue of shares upon exercise of warrants	<u>2</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>
Transactions with owners	2	53	-	-	-	55
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,650)</u>	<u>(2,650)</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,650)</u>	<u>(2,650)</u>
At 30 Jun 2016 (unaudited)	<u>4,050</u>	<u>37,106</u>	<u>75,659</u>	<u>1,041</u>	<u>(114,564)</u>	<u>3,292</u>
As 1 January 2015 (audited)	3,548	28,717	75,659	-	(104,149)	3,775
Issue of warrants	-	1,035	-	-	-	1,035
Issue of share upon placing	500	8,716	-	-	-	9,216
Share issue expenses	<u>-</u>	<u>(1,444)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,444)</u>
Transactions with owners	500	8,307	-	-	-	8,807
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,888)</u>	<u>(1,888)</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,888)</u>	<u>(1,888)</u>
At 30 Jun 2015 (unaudited)	<u>4,048</u>	<u>37,024</u>	<u>75,659</u>	<u>-</u>	<u>(106,037)</u>	<u>10,694</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.

	Number of shares	HK\$'000
Authorised:		
As at 1 January 2016 and 30 June 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

During the six months ended 30 June, 2016, 202,000 warrants issued in January 2011 "2011 Warrants" were exercised before the expiry date of 25 January 2016 and 202,000 new shares were issued. The 2011 Warrants have an exercise price of S\$0.05 per share and have expired on 25 January 2016.

The Group has the following outstanding convertible securities as at 30 June 2016:

- 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 (2) 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).

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 30 June 2016	As at 30 June 2015
	30 June 2014	
	(Unaudited)	(Unaudited)
Total number of shares that may be issued on conversion of the Company's outstanding 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⁾	21,000,000	21,000,000

Notes:

(1) As at 30 June 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 30 June, 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.

No warrants, convertible bonds or share options were exercised during the period under review.

Save as disclosed above, there were no treasury shares or other outstanding convertible securities as at 30 June 2016 and 30 June 2015.

Use of net proceeds from the issue of S\$ 3,503,459 in aggregate principal amount of Convertible Bonds (the “Convertible Bonds”) in February 2015

The Group’s utilisation of the net proceeds of approximately S\$3.3 million from the issue of the Convertible Bonds 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	660 ¹	-
Total	3,300	3,300	-

¹ Approximately S\$400,000 general working capital was used for administrative expenses and approximately S\$260,000 was used for settlement of accounts payable.

The allocation and utilisation of the net proceeds from the issue of the Convertible Bonds Issue is in accordance with the intended use as stated in the announcement and Offer Information Statement in relation to the issue of the Convertible Bonds dated 23 February and 26 January 2015 respectively. As of date of the announcement, the proceeds from the issue of the Convertible Bonds have been completely utilised.

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	570.5	200
Total	1,541	1,341	200

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 renounceable and non-underwritten rights issue in 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	-	4,023
General working capital	1,006	-	1,006
Total	5,029	-	5,029

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 2016 (Unaudited)	As At 31 December 2015 (Audited)
Total number of issued shares	404,872,733	404,670,733
Total number of treasury shares	<u>-</u>	<u>-</u>
Total number of issued shares excluding treasury shares	<u>404,872,733</u>	<u>404,670,733</u>

There were no treasury shares held as at 30 June 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation adopted in the Group's financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2015.

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 has adopted new or revised International Financial Reporting Standards and related interpretations ("IFRSs") that are effective for accounting periods beginning on or after 1 January 2016. Presently, the Group does not expect the adoption of the new or revised IFRSs to have any material impact on the financial statements.

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	
	2016	2015
	(Unaudited)	(Unaudited)
(Loss) / profit for the period attributable to owners of the Company (HK\$'000)	(3,172)	300
Weighted average number of ordinary shares in issue ⁽¹⁾	404,846,162	359,919,352
Basic and diluted (loss) / earnings per ordinary share ⁽²⁾ (HK cents)	(0.78)	0.08

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 periods ended 30 June 2016 and 2015, basic and diluted 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 share for the both periods of 2016 and 2015 and the exercise of convertible bonds would result in a decrease in loss per share in HY2016.

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 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015
Net asset value per ordinary share based on issued share capital (HK cents)	4.97	5.74	0.81	1.45

Net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares as at 30 June 2016 of 404,872,733 (31 December 2015: 404,670,733) ordinary shares.

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 HK\$23.6 million or 39.2% from approximately HK\$60.4 million for the six months ended 30 June 2015 ("1H15") to approximately HK\$36.8 million for the six months ended 30 June 2016 ("1H16").

- (a) The decrease in sales was attributable to: (a) decrease in sale of nickel ore by approximately HK\$18.2 million to approximately HK\$9.9 million in 1H16 in the People's Republic of China (including Hong Kong) (the "PRC (including HK)") due to delay in the shipment of goods of certain suppliers as a result of delay in obtaining export approvals;
 (b) decrease in sales of jewellery products by approximately HK\$3.6 million to approximately HK\$9.2 million in 1H16 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\$1.9 million to approximately HK\$17.6 million in 1H16. This was mainly due to decrease in sales in the USA attributable to lower orders from customers in the USA. The decrease was partially offsetted by increase in sales from Europe.

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		
	1H16 HK\$'000	1H15 HK\$'000	change %	1H16 HK\$'000	1H15 HK\$'000	change %	1H16 HK\$'000	1H15 HK\$'000	change %
USA	3,919	9,201	(57.4)	1,573	3,257	(51.7)	-	-	-
Europe	6,457	3,100	108.3	-	-	-	-	-	-
The PRC (including HK)	6,644	6,810	(2.4)	7,553	9,474	(20.3)	9,921	28,086	(64.7)
Others ⁽¹⁾	608	409	48.7	95	107	(11.2)	-	-	-
Total turnover	17,628	19,520	(9.7)	9,221	12,838	(28.2)	9,921	28,086	(64.7)

Note:-

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

Cost of sales and gross profit

Cost of sales decreased by approximately HK\$20.8 million or 39.6% from approximately HK\$52.4 million in 1H15 to approximately HK\$31.6 million in 1H16. The decrease in cost of sales was mainly due to decrease in turnover. The write-down of inventories to net realizable value, net, increased by approximately HK\$605,000 or 87.1% from approximately HK\$695,000 in 1H15 to approximately HK\$1.3 million in 1H16 mainly due to increase in certain metal gift related inventories and jewellery related inventories held more than one year.

The overall gross profit margin increased by 0.6% from 13.4% in 1H15 to 14.0% in 1H16 and the overall gross profit decreased by HK\$2.9 million or 36.4% from HK\$8.1 million in 1H15 to HK\$5.2 million in 1H16. The decrease in gross profit was mainly due to lower sales from Nickel Ore.

Other income

Other income increased by approximately HK\$130,000 or 107.4% from approximately HK\$121,000 in 1H15 to approximately HK\$251,000 in 1H16. The increase was mainly attributed to increase in income from sale of defected or waste materials, This was partially offsetted by a decrease in exchange gain.

Selling and distribution costs

Selling and distribution costs increased by approximately HK\$210,000 or 15.9% from approximately HK\$1.3 million in 1H15 due mainly attributed to higher transportation cost by approximately HK\$455,000 as the Group incurred air shipment costs to avoid delays. The increase is partially offsetted by a decrease in overseas travelling expense.

Administrative expenses

Administrative expenses increased by approximately HK\$341,000 or 6.5% from approximately HK\$5.2 million in 1H15 to approximately HK\$5.6 million in 1H16. The increase was mainly attributed to: (a) increase in professional fee by approximately HK\$750,000 due to increase in professional costs following various corporate exercises; and (b) increase in salaries by approximately HK\$430,000 due mainly to reclassification of an ex-director as staff. The increase was partly offsetted by: (a) decrease in overseas travelling expenses by approximately HK\$130,000; and (b) decrease in directors' emoluments by approximately HK\$690,000 due to less one executive director.

Share of loss of an associate

Share of losses of an associate, PT Global Linker Indonesia (“PTGLI”), of HK\$305,000 was recognized in 1H16. PTGLI has not generated any revenue since incorporation but incurred start-up cost during the period.

Finance costs

Finance costs increased by approximately HK\$144,000 or 17.4% from approximately HK\$827,000 in 1H15 to approximately HK\$971,000 in 1H16 due to interest paid on convertible bonds.

(Loss) / profit before income tax

As a result of the above, the Group had recorded a loss before income tax of approximately HK\$3.0 million (1H15: profit before income tax of approximately HK\$800,000).

Income tax expenses

Income tax expense of HK\$297,000 was provided for a Hong Kong subsidiary in 1H16 (1H15: nil). The provision is mainly due to under provision of tax for a Hong Kong subsidiary in previous corresponding period.

Statement of financial position

Non-current assets

Non-current assets decreased by approximately HK\$425,000 from approximately HK\$8.7 million as at 31 December 2015 to approximately HK\$8.2 million as at 30 June 2016 due mainly to depreciation costs for the property, plant and equipment. The decrease is partly set off by the investment in an associate namely, PTGLI.

Current assets

Current assets increased by approximately HK\$9.8 million from approximately HK\$72.3 million as at 31 December 2015 to approximately HK\$82.1 million as at 30 June 2016. The increase was mainly attributed to increase in inventories of approximately HK\$39.0 million due delay in obtaining export approvals for unshipped nickel. The increase was offsetted by: (a) the decrease in trade deposits paid of approximately HK\$19.1 million to nickel ore suppliers; and (b) the decrease in cash and bank balances by approximately HK\$7.5 million.

Current liabilities

Current liabilities increased by approximately HK\$13.3 million from approximately HK\$37.3 million as at 31 December 2015 to approximately HK\$50.6 million as at 30 June 2016. The increase was mainly attributed to increase in trade payables of approximately HK\$17.2 million due to unsettled payables from the purchase of nickel ore caused by the delay in obtaining export approvals from the relevant authorities in Philippines. The increase was offsetted by: (a) decrease in bank borrowings by approximately HK\$2.7 million; and (b) decrease in other payables and accruals by approximately HK\$1.4 million.

Non-current liabilities

Non-current liabilities decreased by approximately HK\$707,000 from approximately HK\$20.2 million as at 31 December 2015 to approximately HK\$19.5 million as at 30 June 2016.

Liquidity and cash flow

During 1H16, the Group's net cash used in operating activities was approximately HK\$3.8 million. This was mainly attributed to increase in inventories of approximately HK\$39.0 million for the nickel ore. This was partly offsetted by (a) decrease in deposits, prepayments and other receivables of approximately HK\$19.5 million for the nickel

ore operations (b) increase in trade payables of approximately HK\$17.2 million mainly from the nickel ore products.

During 1H16, the Group's net cash generated from investing activities was approximately HK\$278,000. This was mainly due to proceeds from disposal of property, plant and equipment.

During 1H16, the Group's net cash used in financing activities was approximately HK\$4.0 million. This was mainly attributed to the net repayment of bank borrowings.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$7.5 million.

As at 30 June 2016, the Group had cash and bank balances of HK\$6.3 million (31 December 2015: HK\$13.8 million), and unutilised banking facilities of approximately HK\$3.9 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 year ended 31 December 2015, the following disclosures were made:

Nickel Ore

For Nickel ore, 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 above mentioned delays.

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' licence 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.

The following variances have taken place:

The Nickel Ore business contributed approximately HK\$9.9 million to the revenue in 1H16. The Supplier has yet to obtain the Export Approvals from the relevant authorities due to new additional procedures required from the relevant authorities.

For acquisition of a company with money lender's license, the Group has delayed the acquisition pending the completion of the Rights issue. The Group plans to acquire the company in due course.

Save for the above, the actual results for 1H16 are consistent with the commentary under paragraph 10 of the Company's announcement of the financial statements for the financial year ended 31 December 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 the weak world economy, 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 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.

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.

Subsequent to the shareholders' approval obtained at the special general meeting held on 28 April 2016, the Group plans to acquire the company in due course following the completion of the rights issue of the Group.

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

Others

On 17 June 2016, the resolutions in relation to the non-renounceable non-underwritten rights issue of up to 2,429,236,398 new common shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.0035 for each rights share, on the basis of six (6) rights shares for every one (1) existing common share was passed at the Special General Meeting.

An aggregate of 1,508,904,240 Rights Shares have been allotted and issued on 5 August 2016. As at 8 August 2016, the Rights Shares have been listed and quoted on the SGX-ST and the trading of the Rights Shares has commenced. Accordingly, the Rights issue has been completed as at 8 August 2016.

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.

No interim dividend has been declared or recommended for the financial period ended 30 June 2016.

13. Interested Person Transactions - Pursuant to Rule 920(1)(a)(ii) of the Listing Manual

No interested person transaction mandate has been obtained.

There were no interested person transactions that exceeded S\$100,000 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 Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.



**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 2016 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
Managing Director

Date: 12 August 2016