



Joyas International Holdings Limited

(Incorporated in Bermuda)

Company Registration Number: 38991

Financial Statements And Related Announcement
For the half year ended 30 June 2017

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 2017 (“1HY17”)

The Group

	Six months ended 30 June		Change %
	2017	2016	
	(Unaudited) HK\$'000	(Unaudited and restated) HK\$'000	
Continuing operations			
Revenue	933	9,921	(90.6)
Cost of sales	-	(9,058)	(100.0)
Gross profit	933	863	8.1
Other income	47	136	(65.4)
Administrative expenses	(3,301)	(2,750)	20.0
Finance costs	(846)	(802)	5.5
Share of loss of an associate	-	(305)	(100.0)
Loss before income tax	(3,167)	(2,858)	10.8
Income tax expense	-	-	-
Loss for the period from continuing operations	(3,167)	(2,858)	10.8
Discontinued operations			
Profit/(Loss) for the period from discontinued operations (Note)	1,265	(403)	N.M.
Loss for the period	(1,902)	(3,261)	(41.7)
Other comprehensive income after tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences	(33)	-	100.0
Other comprehensive loss for the period, net of tax of nil	(33)	-	100.0
Total comprehensive loss for the period	(1,935)	(3,261)	(40.7)

**Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
For the first half year ended 30 June 2017 (continued)**

The Group (continued)

	Six months ended 30 June		Change
	2017	2016	
	(Unaudited)	(Unaudited and restated)	
	HK\$'000	HK\$'000	%
(Loss)/Profit for the period attributable to			
Owners of the Company:			
– from continuing operations	(2,998)	(2,769)	8.3
– from discontinued operations	<u>1,265</u>	<u>(403)</u>	N.M.
	<u>(1,733)</u>	<u>(3,172)</u>	(45.4)
Loss for the period attributable to			
Non-controlling interests:			
– from continuing operations	<u>(169)</u>	<u>(89)</u>	89.9
	<u>(1,902)</u>	<u>(3,261)</u>	(41.7)
Total comprehensive loss for the			
period attributable to:			
Owners of the Company	(1,766)	(3,172)	(44.3)
Non-controlling interests	<u>(169)</u>	<u>(89)</u>	89.9
	<u>(1,935)</u>	<u>(3,261)</u>	(40.7)

Note: The Profit for 1HY17 comprised mainly of gain on disposal of subsidiaries. Please refer to the Company's announcement with respect to the Proposed Disposal of JGL dated 25 May 2017 ("Disposal of JGL Group").

N.M. = Not meaningful

Notes to Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
For the first half year ended 30 June 2017

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

	Six months ended 30 June		Change %
	2017	2016	
	(Unaudited) HK\$'000	(Unaudited and restated) HK\$'000	
Continuing operations			
Interest income	(47)	-	100.0
Amortisation of intangible assets	1	-	100.0
Depreciation of property, plant and equipment			
- included in administrative expenses	7	-	100.0
Share of loss of an associate	-	305	(100.0)
Operating lease rentals in respect of rental premises	155	144	7.6
Exchange loss/(gain), net	701	(136)	(615.4)
Interest expenses	846	802	5.5
	<u> </u>	<u> </u>	
Discontinued operations			
Exchange gain, net	-	(4)	(100.0)
Depreciation of property, plant and equipment			
- included in cost of sales	-	341	(100.0)
- included in administrative expenses	-	108	(100.0)
Gain on Disposal of JGL Group, net	(1,265)	-	100.0
Write-down of inventories to net realisable value, net	-	1,300	(100.0)
Operating lease rentals in respect of rental premises	-	335	(100.0)
Interest expenses	-	169	(100.0)
	<u> </u>	<u> </u>	

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 2017**

The Group

	As at 30 June 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Published [#]) HK\$'000
Assets		
Non-current assets		
Intangible assets	608	600
Property, plant and equipment	74	8,616
Other receivables	6,000	-
	<u>6,682</u>	<u>9,216</u>
Current assets		
Inventories	-	7,044
Loan and advances	18,939	10,100
Trade and other receivables	49,177	52,830
Pledged bank deposits	5,405	26,104
Cash and cash equivalents	1,003	13,158
	<u>74,524</u>	<u>109,236</u>
Total assets	<u><u>81,206</u></u>	<u><u>118,452</u></u>
Equity		
Capital and Reserves		
Share capital	19,139	19,139
Accumulated losses	(86,159)	(84,426)
Other reserves	111,056	111,035
Attributable to the owners of the Company	44,036	45,748
Non-controlling interests	950	(9,492)
Total equity	<u>44,986</u>	<u>36,256</u>
Liabilities		
Non-current liabilities		
Convertible bonds	19,327	20,062
Warrants	69	69
	<u>19,396</u>	<u>20,131</u>
Current liabilities		
Trade and other payables	15,602	45,767
Bank and other borrowings	1,191	16,271
Current tax liabilities	31	27
	<u>16,824</u>	<u>62,065</u>
Total liabilities	<u>36,220</u>	<u>82,196</u>
Total equity and liabilities	<u><u>81,206</u></u>	<u><u>118,452</u></u>

[#] As per published accounts in the Annual Report of the Company for the financial year ended 31 December 2016.

**Statement of Financial Position
As at 30 June 2017**

The Company

	As at 30 June 2017 (Unaudited) HK\$'000	As at 31 December 2016 (Published) HK\$'000
Assets		
Non-current assets		
Subsidiaries	<u>8</u>	<u>8</u>
Current assets		
Trade and other receivables	60,949	49,943
Cash and cash equivalents	<u>177</u>	<u>1,527</u>
	<u>61,126</u>	<u>51,470</u>
Total assets	<u><u>61,134</u></u>	<u><u>51,478</u></u>
Equity		
Capital and Reserves		
Share capital	19,139	19,139
Accumulated losses	(106,545)	(117,181)
Reserves	<u>128,861</u>	<u>128,861</u>
Total equity	41,455	30,819
Liabilities		
Non-current liabilities		
Convertible bonds	19,327	20,062
Warrants	<u>69</u>	<u>69</u>
	<u>19,396</u>	<u>20,131</u>
Current liabilities		
Trade and other payables	<u>283</u>	<u>528</u>
Total liabilities	<u>19,679</u>	<u>20,659</u>
Total equity and liabilities	<u><u>61,134</u></u>	<u><u>51,478</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 2017 (Unaudited)		As at 31 December 2016 (Published)	
Secured HK\$'000	Unsecured HK\$'000	Secured HK\$'000	Unsecured HK\$'000
1,191	-	16,271	-

Amount repayable after one year

As at 30 June 2017 (Unaudited)		As at 31 December 2016 (Published)	
Secured HK\$'000	Unsecured HK\$'000	Secured HK\$'000	Unsecured HK\$'000
19,327	-	20,062	-

Details of any collateral

As at 30 June 2017, the Group's banking facilities granted amounted to approximately HK\$5.4 million (31 December 2016: approximately HK\$40.6 million) of which approximately HK\$Nil (31 December 2016: approximately HK\$15.1 million) were utilised. These facilities were secured by legal charges over certain bank deposits of the Group, and personal guarantee was provided by a non-executive director of the Company.

As at 30 June 2017, the Group's other borrowings amounted to approximately HK\$1.2 million (31 December 2016: approximately HK\$1.1 million). The facilities were secured by personal guarantees from the director, shareholders and employee of a subsidiary.

As at 30 June 2017, the Group's outstanding principal amount of convertible bonds amounted to approximately S\$3.5 million. (31 December 2016: approximately S\$3.5 million)

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

**Consolidated Statement of Cash Flows
For the first half year ended 30 June 2017**

The Group

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited and restated)
	HK\$'000	HK\$'000
Cash flows from operating activities of continuing and discontinued operations:		
Loss before income tax from continuing operations	(3,167)	(2,858)
discontinued operations	1,265	(106)
Adjustments for:		
Interest income	(47)	-
Amortisation of intangible assets	1	-
Depreciation of property, plant and equipment	7	449
Share of loss of an associates	-	305
Gain on Disposal of JGL Group, net	(1,265)	-
Write-down of inventories to net realisable value, net	-	1,300
Loss on disposal of property, plant and equipment	-	51
Interest expenses	846	971
Operating (loss) / profit before working capital changes	(2,360)	112
Changes in working capital, net of effects from acquisition /disposals of an associate / subsidiaries:		
Inventories	-	(38,195)
Loan and advances	(8,839)	-
Trade and other receivables	(4,636)	19,832
Trade and other payables	1,089	14,853
Cash used in operations	(14,746)	(3,398)
Interest paid on bank borrowings	(153)	(278)
Hong Kong profit tax paid	-	(115)
Net cash used in operating activities	(14,899)	(3,791)
Cash flows from investing activities of continuing and discontinued operations		
Interest received	47	-
Purchases of property, plant and equipment	-	(3)
Net cash flow arising from Disposal of JGL Group (Note A)	(5,799)	-
Proceeds from disposal of property, plant and equipment	-	500
Decrease/(Increase) in pledged time deposits	20,699	(219)
Net cash generated from investing activities	14,947	278

Consolidated Statement of Cash Flows (continued)
For the first half year ended 30 June 2017

The Group (continued)

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited and restated)
	HK\$'000	HK\$'000
Cash flows from financing activities of continuing and discontinued operations		
Proceeds from issuance of new shares upon exercise of warrants	-	55
Interest paid on convertible bonds	(1,426)	(1,398)
Proceeds from new bank borrowings	-	3,900
Repayment of bank borrowings	(10,777)	(6,562)
Net cash used in financing activities	<u>(12,203)</u>	<u>(4,005)</u>
Net decrease in cash and cash equivalents	(12,155)	(7,518)
Cash and cash equivalents at the beginning of the period	13,158	13,846
Cash and cash equivalents at the end of the period	<u>1,003</u>	<u>6,328</u>
Analysis of balances of cash and cash equivalents at the end of the period:		
Cash and bank balances	<u>1,003</u>	<u>6,328</u>

Note A

The Group

	Six months Ended 30 June 2017 HK\$'000
Property , plant and equipment	8,099
Inventories	7,396
Trade and other receivables	15,335
Cash and bank balances	5,799
Borrowings	(4,259)
Trade and other payables	(29,300)
Capital contribution reserve	54
Non-controlling interest	<u>10,611</u>
Net assets (note i)	13,735
Gain on Disposal of JGL Group	<u>1,265</u>
Total consideration, to be satisfied in cash	<u><u>15,000</u></u>
Satisfied by:	
Consideration receivable	<u>15,000</u>
	<u><u>15,000</u></u>

Analysis of net flow of cash and bank balances arising on Disposal of JGL Group:

Cash consideration received	
Cash and bank balances on Disposal of JGLGroup	5,799
	<u><u>5,799</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.

Consolidated Statement of Changes in Equity For the first half year ended 30 June 2017

The Group

	Equity attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Share option reserve	Capital contribution reserve	Foreign currency translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2017 (published)	19,139	51,180	52,677	2,022	5,252	(96)	(84,426)	45,748	(9,492)	36,256
Loss for the period	-	-	-	-	-	-	(1,733)	(1,733)	(169)	(1,902)
Other comprehensive income										
- Foreign currency translation differences	-	-	-	-	-	(33)	-	(33)	-	(33)
Total comprehensive income for the period	-	-	-	-	-	(33)	(1,733)	(1,766)	(169)	(1,935)
Contributions by and distributions to owners										
Disposal of JGL Group	-	-	-	-	54	-	-	54	10,611	10,665
Total transactions with owners, recognized directly in equity	-	-	-	-	54	-	-	54	10,611	10,665
At 30 June 2017 (unaudited)	19,139	51,180	52,677	2,022	5,306	(129)	(86,159)	44,036	950	44,986
At 1 January 2016 (audited)	4,048	37,053	52,677	1,041	1,700	-	(73,286)	23,233	172	23,405
Loss for the period	-	-	-	-	-	-	(3,172)	(3,172)	(89)	(3,261)
Total comprehensive income for the period	-	-	-	-	-	-	(3,172)	(3,172)	(89)	(3,261)
Contributions by and distributions to owners										
Issue of share upon exercise of warrants	2	53	-	-	-	-	-	55	-	55
Total transactions with owners, recognized directly in equity	2	53	-	-	-	-	-	55	-	55
At 30 June 2016 (unaudited)	4,050	37,106	52,677	1,041	1,700	-	(76,458)	20,116	83	20,199

**Statement of Changes in Equity
For the first half year ended 30 June 2017**

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 2017 (published)	19,139	51,180	75,659	2,022	(117,181)	30,819
Profit for the period	-	-	-	-	10,636	10,636
Total comprehensive income for the period	-	-	-	-	10,636	10,636
At 30 June 2017 (unaudited)	<u>19,139</u>	<u>51,180</u>	<u>75,659</u>	<u>2,022</u>	<u>(106,545)</u>	<u>41,455</u>
At 1 January 2016 (audited)	4,048	37,053	75,659	1,041	(111,914)	5,887
Loss for the period	-	-	-	-	(2,650)	(2,650)
Total comprehensive income for the period	-	-	-	-	(2,650)	(2,650)
Issue of shares upon exercise of warrants	2	53	-	-	-	55
Transactions with owners	2	53	-	-	-	55
At 30 June 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>

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, 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.

	Number of shares	HK\$'000
Authorised:		
As at 1 January 2017 and 30 June 2017, ordinary shares of HK\$0.01 each	10,000,000,000	100,000

Issued and fully paid:

As at 1 January 2017 and 30 June 2017, ordinary shares of HK\$0.01 each	1,913,776,973	19,139
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The Group has the following outstanding convertible securities as at 30 June 2017 and 31 December 2016:

Outstanding Convertible Securities	As at 30 June 2017 (Unaudited)	As at 31 December 2016 (Published)
Warrants ⁽¹⁾	18,173,980	18,173,980
Convertible Bonds ⁽¹⁾	S\$3,503,459	S\$3,503,459
Share Options ⁽²⁾⁽³⁾⁽⁴⁾	53,000,000	53,000,000

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 2017 (Unaudited)	As at 31 December 2016 (Published)
Total number of shares that may be issued on conversion of the Company's outstanding warrants ⁽¹⁾	18,173,980	18,173,980
Total number of shares that may be issued on conversion of the Company's convertible bonds ⁽¹⁾	35,034,597	35,034,597

Total number of shares that may be issued on conversion of the Company's share options ⁽²⁾⁽³⁾⁽⁴⁾	53,000,000	53,000,000
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Notes:

- (1) For the details in relation to the Warrants and the Convertible Bonds, please refer to the Company's announcement dated 23 February 2015.
- (2) On 25 May 2015, the Company granted 9,000,000 share options (the "**May 2015 Options**") under the Joyas Share Option Scheme to certain Directors of the Company. The May 2015 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the May 2015 Options dated 25 May 2015.
- (3) On 16 February 2015, the Company entered into a share option agreement with a third party (the "**Grantee**") to grant options (the "**Feb 2015 Options**") to the Grantee to subscribe for 12,000,000 new ordinary shares in the capital of the Company at an exercise price of S\$0.021. The Feb 2015 Options are exercisable before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the Feb 2015 Options dated 13 April 2015.
- (4) On 19 August 2016, the Company granted 32,000,000 share options (the "**August 2016 Options**") under the Joyas Share Option Scheme to the Non-Executive Directors of the Company. The August 2016 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the August 2016 Options dated 19 August 2016.

Save for the above, there were no treasury shares or other outstanding convertible securities as at 30 June 2017 and 31 December 2016.

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	770.5	-
Total	1,541	1,541	-

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

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

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

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

Use of net proceeds	Amount of net proceeds allocated (S\$’000)	Amount utilised to date (S\$’000)	Amount unutilised to date (S\$’000)
Funding the Financing Business of the Company	4,023	3,120	903
General working capital	1,006	900 ²	106
Total	5,029	4,020	1,009

² Approximately S\$900,000 was used for administrative expenses.

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

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

The Company and the Group	As At 30 June 2017 (Unaudited)	As At 31 December 2016 (Published)
Total number of issued shares	1,913,776,973	1,913,776,973
Total number of treasury shares	_____ -	_____ -
Total number of issued shares excluding treasury shares	<u>1,913,776,973</u>	<u>1,913,776,973</u>

There were no treasury shares held as at 30 June 2017 and 31 December 2016.

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.

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

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 published financial statements in the Annual Report of the Company for the financial year ended 31 December 2016.

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 2017. 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	
	2017	2016
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	<u>(1,733)</u>	<u>(3,172)</u>
Weighted average number of ordinary shares in issue ⁽¹⁾	<u>1,913,776,973</u>	<u>404,846,162</u>
Basic and diluted loss per ordinary share ⁽²⁾ (HK cents)	<u>(0.09)</u>	<u>(0.78)</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 periods ended 30 June 2017 and 2016, basic and diluted earnings/(loss) per ordinary share are same as diluted earnings/(loss) per ordinary share because the exercise prices of share options and warrants are higher than the average market prices for share for the both periods of 2017 and 2016 and the exercise of convertible bonds would result in a decrease in loss per share in 1HY2017 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 2017 (Unaudited)	As at 31 December 2016 (Published)	As at 30 June 2017 (Unaudited)	As at 31 December 2016 (Published)
Net asset value per ordinary share based on issued share capital (HK cents)	2.30	2.39	2.17	1.61

Net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares as at 30 June 2017 of 1,913,776,973 (31 December 2016: 1,913,776,973) 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 profit or loss and other comprehensive income

Continuing operations

Revenue

The Group's revenue of continuing operations decreased by approximately HK\$9.0 million or 90.6% from approximately HK\$9.9 million for the six months ended 30 June 2016 ("1H16") to approximately HK\$933,000 for 1H17.

The decrease in revenue was attributed to decrease in sale of nickel ore from approximately HK\$9.9 million in 1H16 to HK\$Nil in 1H17. No revenue was generated from nickel distribution and trading business due to delays in the shipment of goods from certain suppliers due to delays in obtaining export approvals.

During 1H17, the Group has interest income from the financing business of approximately HK\$933,000. The Company commenced its financing business in September 2016.

An analysis of the Group's revenue from its principal markets, namely the People's Republic of China (the "PRC (including HK)") and others during the period under review is as follows:-

	Nickel Ore			Financing Activities		
	IH17 HK'000	IH16 HK'000	Change %	IH17 HK'000	IH16 HK'000	Change %
The PRC (including HK)	-	9,921	(100.0)	633	-	100.0
Others ⁽¹⁾	-	-	-	300	-	100.0
Total revenue	-	9,921	(100.0)	933	-	100.0

Note:-

(1) Includes mainly customers in the Asia (other than the PRC and Hong Kong).

Cost of sales and gross profit

Cost of sales decreased by approximately HK\$9.1 million or 100.0% from approximately HK\$9.1 million in 1H16 to approximately HK\$Nil in 1H17 due to the Group did not have sales of Nickel Ore during 1H17. There were no cost of sales for the financing business.

The overall gross profit margin increased by 91.3% from 8.7% in 1H16 to 100.0% in 1H17 as there were no cost of sales in 1H17 and the overall gross profit increased by

HK\$70,000 or 8.1% from HK\$863,000 in 1H16 to HK\$933,000 in 1H17.

Other income

Other income decreased by approximately HK\$89,000 or 65.4% from approximately HK\$136,000 in 1H16 to approximately HK\$47,000 million in 1H17. This was mainly attributed to exchange gain in 1H16.

Administrative expenses

Administrative expenses increased by approximately HK\$551,000 or 20.0% from approximately HK\$2.8 million in 1H16 to approximately HK\$3.3 million in 1H17. The increase was mainly attributed to: (a) increase in exchange loss of HK\$701,000; (b) increase in salaries by approximately HK\$57,000 due mainly to staff cost from the financing business which was acquired at September 2016; and (c) increase in overseas travelling by HK\$52,000. The increase was partly offset by a decrease in professional fee of approximately HK\$293,000 due to higher professional costs following various corporate exercises in 1H16.

Finance costs

Finance costs increased by approximately HK\$44,000 or 5.5% from approximately HK\$802,000 in 1H16 to approximately HK\$846,000 in 1H17 due to interest paid on other borrowing.

Share of loss of an associate

Share of loss of an associate, PT Global Linker Indonesia (“PTGLI”), of HK\$305,000 was recognised in 1H16. The Group had increased its shareholding interest from 30% to 64% in PTGLI in October 2016. Subsequent to the increase, PTGLI is no longer an associate of the Group.

Loss before income tax

As a result of the above, the Group had recorded a loss before income tax for continuing operations of approximately HK\$3.2 million (1H16: approximately HK\$2.9 million).

Discontinued operations

No revenue from metal gift products and jewellery products were accounted for 1H17 as under the Sale and Purchase Agreement between the Company and the purchaser of JGL (the “Purchaser”), the Purchaser shall be entitled to all income and responsible for all expenses of JGL Group on or after 1 January 2017. Please refer to the Company’s announcement with respect to the Proposed Disposal of JGL dated 25 May 2017 .

The profit was mainly attributed to gain from Disposal of JGL Group of approximately HK\$1.3 million.

Statement of financial position

Non-current assets

Non-current assets decreased by approximately HK\$2.5 million from approximately HK\$9.2 million as at 31 December 2016 to approximately HK\$6.7 million as at 30 June 2017 due mainly to derecognition of property, plant and equipment from Disposal of JGL Group by approximately HK\$8.6 million. This was partly offset by the other receivable of HK\$6.0 million, being the non-current portion of the outstanding proceeds from the Disposal of JGL Group of approximately HK\$15.0 million (HK\$9.0 million classified under current assets).

Current assets

Current assets decreased by approximately HK\$34.7 million from approximately HK\$109.2 million as at 31 December 2016 to approximately HK\$74.5 million as at 30 June 2017. The decrease was mainly attributed to (a) derecognition of current assets by approximately HK\$30.0 million from Disposal of JGL Group; and (b) repayment of bank loans of approximately HK\$10.8 million. Such decrease was partially offset by a receivable of HK\$9.0 million being the current portion of the proceeds for the the Disposal of JGL Group.

Current liabilities

Current liabilities decreased by approximately HK\$45.2 million from approximately HK\$62.1 million as at 31 December 2016 to approximately HK\$16.8 million as at 30 June 2017. The decrease was mainly attributed to (a) decrease in trade and other payables of approximately HK\$35.5 million due to derecognition of current liabilities from Disposal of JGL Group; and (b) decrease in bank and other borrowings of approximately HK\$10.8 million due to repayment of bank loans.

Non-current liabilities

Non-current liabilities decreased by approximately HK\$735,000 from approximately HK\$20.1 million as at 31 December 2016 to approximately HK\$19.4 million as at 30 June 2017 due to settlement of accrued interests of convertible bonds.

Liquidity and cash flow

During 1H17, the Group's net cash used in operating activities was approximately HK\$14.8 million. This was mainly attributed to (a) increase in trade and other receivables of approximately HK\$4.6 million; (b) increase in loan and advances by approximately HK\$8.8 million for financing activities; (c) loss before income tax from operations with adjustments for non-cash items of approximately HK\$2.4 million; and (d) increase in trade and other payables of approximately HK\$1.1 million mainly due to increase in accruals.

During 1H17, the Group's net cash generated from investing activities was approximately HK\$14.9 million. This was mainly due to decrease in pledged time deposits less net cash outflow arising from Disposal of JGL Group.

During 1H17, the Group's net cash used in financing activities was approximately HK\$12.2 million. This was mainly attributed to repayment of bank borrowings.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$12.2 million.

As at 30 June 2017, the Group had cash and cash equivalents of HK\$1.0 million (31 December 2016 of HK\$13.2 million.)

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

No specific forecast statement was previously disclosed to shareholders.

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

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

The Group's subsidiary, PTGLI has recently obtained a specific license to sell nickel ore domestically.

During 2016, the Indonesian authorities had announced new procedures and requirements that nickel ore might be exported overseas. The Group is hopeful that if such procedures and requirements can be met, it will provide the Group a new source of revenue by selling nickel ore from Indonesia to overseas. The Group is in the process of understanding and arranging such procedures and requirements.

Financing business

For the six months ended 30 June, 2017, the Group's financing business has been contributing to the Group's revenue. The Group expects such contribution to remain for the next 6-12 months.

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

11. Dividend

(a) Current Financial Period Reported On

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.

No interim dividend has been declared or recommended for the financial period ended 30 June 2017.

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 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. Negative confirmation pursuant to Rule 705(5).

The directors have confirmed to that to the best of their knowledge, nothing has come to the attention of the board of directors which may tender the interim financial statements to be false or misleading in any material aspect.

15. 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 2017 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: 14 August 2017

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.

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