



## Joyas International Holdings Limited

(Incorporated in Bermuda)

Company Registration Number: 38991

### Financial Statements And Related Announcement For the half year ended 30 June 2015

*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.*

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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 2015

##### The Group

	Six months ended 30 June		Change %
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	
<b>Revenue</b>	60,444	46,857	29.0
Cost of sales	(52,350)	(35,753)	46.4
<b>Gross profit</b>	8,094	11,104	(27.1)
Other income	71	830	(91.4)
Selling and distribution costs	(1,318)	(2,282)	(42.2)
Administrative expenses	(5,220)	(7,986)	(34.6)
<b>Profit from operations</b>	1,627	1,666	(2.3)
Finance costs	(827)	(649)	27.4
<b>Profit before income tax</b>	800	1,017	(21.3)
Income tax expense	-	-	-
<b>Profit for the period</b>	800	1,017	(21.3)
<b>Other comprehensive income:</b>			
Exchange gains on translation of financial statements of foreign operations	-	-	-
<b>Total comprehensive income for the period</b>	800	1,017	(21.3)
<b>Profit attributable to:</b>			
Owners of the Company	300	1,017	(70.5)
Non-controlling interests	500	-	100.0
	800	1,017	(21.3)

**Notes to Consolidated Statement of Comprehensive Income  
For the first half year ended 30 June 2015**

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

	Six months ended 30 June		Change %
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	
Interest income	(25)	(1)	2400.0
Other income	(71)	(829)	(91.4)
Depreciation of property, plant and equipment			
- included in cost of sales	849	840	1.1
- included in administrative expenses	157	296	(47.0)
Write-down of inventories to net realisable value, net	695	-	100.0
Reversal of write-down of inventories to net realisable value, net	-	(3,007)	NM
Reversal of impairment losses on trade receivable	(7)	-	100.0
Exchange (gain) / losses, net	(156)	195	180.0
Operating lease rentals in respect of rental premises	502	712	(29.5)
Interest expenses	<u>827</u>	<u>649</u>	27.4

NM: not meaningful

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

**Consolidated Statement of Financial Position  
As at 30 June 2015  
The Group**

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	11,555	12,510
Goodwill	413	-
	<u>11,968</u>	<u>12,510</u>
<b>Current assets</b>		
Inventories	16,510	16,802
Trade receivables	32,381	15,765
Deposits, prepayments and other receivables	63,426	1,180
Prepaid tax	175	135
Pledged time deposits	19,361	-
Cash and bank balances	22,836	15,923
	<u>154,689</u>	<u>49,805</u>
<b>Total assets</b>	<u>166,657</u>	<u>62,315</u>
<b>Current liabilities</b>		
Trade payables	6,511	14,448
Other payables and accruals	82,144	14,469
Bank borrowings	21,870	6,958
Tax payables	46	54
	<u>110,571</u>	<u>35,929</u>
<b>Net current assets</b>	<u>44,118</u>	<u>13,876</u>
<b>Non-current liabilities</b>		
Convertible loan	19,970	-
<b>Total liabilities</b>	<u>130,541</u>	<u>35,929</u>
<b>Net assets</b>	<u>36,116</u>	<u>26,386</u>
<b>Equity</b>		
Share capital	4,048	3,548
Reserves	31,445	22,838
Equity attributable to the owners of the Company	<u>35,493</u>	<u>26,386</u>
Non-controlling interest	623	-
<b>Total equity</b>	<u>36,116</u>	<u>26,386</u>

**Statement of Financial Position**  
**As at 30 June 2015**

**The Company**

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
<b>Non-current assets</b>		
Interests in subsidiaries	<u>8</u>	<u>8</u>
<b>Current assets</b>		
Deposits, prepayments and other receivables	1,293	291
Amount due from a subsidiary	15,396	4
Cash and bank balances	<u>14,822</u>	<u>4,036</u>
	<u>31,511</u>	<u>4,331</u>
<b>Total assets</b>	<u>31,519</u>	<u>4,339</u>
<b>Current liabilities</b>		
Other payables and accruals	848	557
Amount due to a subsidiary	<u>7</u>	<u>7</u>
	<u>855</u>	<u>564</u>
<b>Net current assets</b>	<u>30,656</u>	<u>3,767</u>
<b>Non-current liabilities</b>		
Convertible loan	<u>19,970</u>	<u>-</u>
<b>Total liabilities</b>	<u>20,825</u>	<u>564</u>
<b>Net assets</b>	<u>10,694</u>	<u>3,775</u>
<b>Equity</b>		
Share capital	4,048	3,548
Reserves	<u>6,646</u>	<u>227</u>
<b>Total equity</b>	<u>10,694</u>	<u>3,775</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 2015		As at 31 December 2014	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
21,870	-	6,958	-

### **Amount repayable after one year**

As at 30 June 2015		As at 31 December 2014	
(Unaudited)		(Audited)	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	-	-	-

### **Details of any collateral**

As at 30 June 2015, the Group's banking facilities granted amounted to approximately HK\$54.8 million (31 December 2014: approximately HK\$8.0 million) of which HK\$21.9 million (31 December 2014: HK\$7.0 million) were utilised. These facilities were secured by legal charges over certain of the Group's leasehold land and buildings, bank deposits, standby letter of credit and personal guarantees provided by certain directors of the Company and subsidiary company.

**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 2015**

**The Group**

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	800	1,017
Adjustments for:		
Interest income	(25)	(1)
Depreciation of property, plant and equipment	1,006	1,136
Reversal of impairment losses on trade receivables	(7)	-
Write-down/(reversal of write-down) of inventories to net realisable value, net	695	(3,007)
Interest expenses	827	649
Operating profit/ (loss) before working capital changes	3,296	(206)
Changes in working capital, net of effects from acquisition of a subsidiary:		
Inventories	(403)	11,175
Trade receivables	(804)	(1,907)
Deposits, prepayments and other receivables	(2,689)	(523)
Trade payables	(7,936)	(150)
Other payables and accruals	(686)	(10,466)
<b>Cash used in operations</b>	(9,222)	(2,077)
Interest paid on bank borrowings	(306)	(649)
Hong Kong profit tax paid	(47)	-
<b>Net cash used in operating activities</b>	(9,575)	(2,726)
<b>Cash flows from investing activities</b>		
Interest received	25	1
Purchases of property, plant and equipment	(10)	(182)
Acquisition of a subsidiary, net of cash acquired	(367)	-
(Increase)/ decrease in pledged time deposits	(15,617)	2,241
<b>Net cash (used in)/ generated from investing activities</b>	(15,969)	2,060

**Consolidated Statement of Cash Flows (continued)**  
**For the first half year ended 30 June 2015**

**The Group (continued)**

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares and warrants	10,251	-
Share issuing expenses	(1,444)	-
Proceeds from issuance of convertible loan	19,970	-
Proceeds from new bank borrowings	21,840	19,425
Repayment of bank borrowings	(18,160)	(20,151)
<b>Net cash generated from/(used in) financing activities</b>	<u>32,457</u>	<u>(726)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	6,913	(1,392)
<b>Cash and cash equivalents at the beginning of the period</b>	15,923	14,698
Effect of foreign exchange rate changes	-	-
<b>Cash and cash equivalents at the end of the period</b>	<u>22,836</u>	<u>13,306</u>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash and bank balances	<u>22,836</u>	<u>13,306</u>
<b>Cash and cash equivalents at end of the period</b>	<u>22,836</u>	<u>13,306</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 2015**

**The Group**

	Equity attributable to owners of the Company				Subtotal HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000			
At 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 an subsidiary	-	-	-	-	-	123	123
Profit for the period	-	-	-	300	300	500	800
Total comprehensive income for the period	-	-	-	300	300	500	800
At 30 June 2015 (Unaudited)	<u>4,048</u>	<u>37,024</u>	<u>52,677</u>	<u>(58,256)</u>	<u>35,493</u>	<u>623</u>	<u>36,116</u>
At 1 January 2014 (Audited)	3,547	28,716	52,677	(65,122)	19,818	-	19,818
Profit for the period	-	-	-	1,017	1,017	-	1,017
Total comprehensive income for the period	-	-	-	1,017	1,017	-	1,017
At 30 June 2014 (Unaudited)	<u>3,547</u>	<u>28,716</u>	<u>52,677</u>	<u>(64,105)</u>	<u>20,835</u>	<u>-</u>	<u>20,835</u>

**Statement of Changes in Equity  
For the first half year ended 30 June 2015**

**The Company**

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
	At 1 January 2015 (Audited)	3,548	28,717	75,659	(104,149)
Issue of warrants	-	1,035	-	-	1,035
Issue of share upon placing	500	8,716	-	-	9,216
Share issue expenses	-	(1,444)	-	-	(1,444)
Transaction with owners	500	8,307	-	-	8,807
Loss for the period	-	-	-	(1,888)	(1,888)
Total comprehensive income for the period	-	-	-	(1,888)	(1,888)
At 30 June 2015 (Unaudited)	<u>4,048</u>	<u>37,024</u>	<u>75,659</u>	<u>(106,037)</u>	<u>10,694</u>
At 1 January 2014 (Audited)	3,547	28,716	75,659	(100,602)	7,320
Loss for the period	-	-	-	(1,762)	(1,762)
Total comprehensive income for the period	-	-	-	(1,762)	(1,762)
At 30 June 2014 (Unaudited)	<u>3,547</u>	<u>28,716</u>	<u>75,659</u>	<u>(102,364)</u>	<u>5,558</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 2015 and 30 June 2015, ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
As at 1 January 2015, ordinary shares of HK\$0.01 each	354,670,733	3,548
Issue of new shares of HK\$0.01 each	50,000,000	500
As at 30 June 2015, ordinary shares of HK\$0.01 each	404,670,733	4,048

During the six months ended 30 June, 2015, 18,173,980 warrants (the “**2015 Warrants**”) and SGD3,503,458.68 in aggregate principal amount of convertible bonds (the “**Convertible Bonds**”) were issued.

The 2015 Warrants have an exercise price of SGD0.10 per share and an expiry date of 23 February 2021. Due to an insufficient spread of holdings of the 2015 Warrants and the Convertible Bonds, the 2015 Warrants and the Convertible Bonds have not been listed and quoted on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Accordingly, the holders of the 2015 Warrants and the holders of the Convertible Bonds will not be able to trade their 2015 Warrants and their Convertible Bonds on the SGX-ST. However, if a 2015 Warrant holder and a Convertible Bonds holder were to exercise his rights, subject to the terms and conditions of the 2015 Warrants and the Convertible Bonds, to convert the 2015 Warrants and the Convertible Bonds into new shares (“**New Shares**”), such New Shares will be listed and quoted on the SGX-ST. Please refer to the announcement in relation to the 2015 Warrants and the Convertible Bonds dated 23 February 2015.

As at 30 June 2015, the number of shares that could have been issued on conversion of all of the Company’s outstanding warrants, convertible bonds and share options are as follows:

	As at 30 June 2015	As at 30 June 2014
	(Unaudited)	(Unaudited)
Total number of shares that may be issued on conversion of the Company's outstanding warrants <sup>(1)(2)</sup>	125,517,428	107,343,448
Total number of shares that may be issued on conversion of the Company's convertible bonds <sup>(2)</sup>	35,034,597	-
Total number of shares that may be issued on conversion of the Company's share options <sup>(3)</sup>	21,000,000	-

Notes:

- (1) 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, 2015, the number of outstanding warrants including the 2015 Warrants issued during the period under review was 125,517,428.
- (2) Please refer to the announcement in relation to the 2015 Warrants and the Convertible Bonds dated 23 February 2015.
- (3) On 17 February 2014, the Company entered into a share option agreement with a third party (the "**Grantee**") to grant options (the "**Feb 2014 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 2014 Options are exercisable before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the Feb 2014 Options dated 13 April 2015.

On 25 May 2015, the Company granted share options (the "**May 2015 Options**") under the Joyas Share Option Scheme to certain Directors of the Company. The total number of May 2015 Options granted was 9 million at the exercise price of S\$0.03. The May 2015 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. Please refer to the announcement in relation to the May 2015 Options dated 25 May 2015.

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

Save for the above, there were no other outstanding options or other convertible securities as at 30 June 2015.

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

**The Company and the Group**

	As At 30 June 2015 (Unaudited)	As At 31 December 2014 (Audited)
Total number of issued shares	404,670,733	354,670,733
Total number of treasury shares	<u>-</u>	<u>-</u>
Total number of issued shares excluding treasury shares	<u>404,670,733</u>	<u>354,670,733</u>

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

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

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

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

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

Not applicable.

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

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 2014.

**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 2015. 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	
	2015	2014
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (HK\$'000)	<u>300</u>	<u>1,017</u>
Weighted average number of ordinary shares in issue	<u>359,919,352</u>	<u>354,670,733</u>
Basic and diluted earnings per ordinary share (HK cents)	<u>0.08</u>	<u>0.29</u>

For the periods ended 30 June 2015 and 2014, basic earnings per ordinary share are same as diluted earnings per ordinary share as there was no dilutive ordinary share. There is no presentation for diluted earnings per ordinary share for the period from the exercise of the outstanding convertible securities as the warrants and options are currently not in the money and the convertible loan taking into account the interest element is anti-dilutive in nature.

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

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

**The Group**

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Net asset value per ordinary share (HK cents)	<u>8.92</u>	<u>7.44</u>

**The Company**

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Net asset value per ordinary share (HK cents)	<u>2.64</u>	<u>1.06</u>

Net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares as at 30 June 2015 of 404,670,733 (31 December 2014: 354,670,733) 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 increased by approximately HK\$13.6 million or 29.0% from approximately HK\$46.9 million for the six months ended 30 June 2014 ("1H14") to approximately HK\$60.4 million for the six months ended 30 June 2015 ("1H15").

The increase in sales was attributable to (a) the sale of nickel ore by approximately HK\$28.1 million in the People's Republic of China (including Hong Kong) (the "PRC (including HK)"); and (b) increase in sales of jewellery products by approximately HK\$2.0 million to approximately HK\$12.9 million in 1H15. The increase in sales of jewellery products was mainly due to increase in demand from existing and new customers from the Group's principal markets in United States of America (the "USA") and the PRC (including HK).

The increase in sales was set off partially by a decrease in sales of metal gift products by approximately HK\$16.5 million from approximately HK\$36.0 million in 1H14 to approximately HK\$19.5 million in 1H15. This was mainly due to decrease in sales in the PRC (including HK) by approximately HK\$12.6 million. The decrease was also attributed to weaker demand from customers.

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		
	1H15	1H14	change	1H15	1H14	change	1H15	1H14	change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
USA	9,201	10,946	(15.9)	3,257	2,111	54.3	-	-	-
Europe	3,100	4,355	(28.8)	-	-	-	-	-	-
The PRC (including HK)	6,810	19,466	(65.0)	9,747	8,503	11.4	28,086	-	100.0
Others <sup>(1)</sup>	409	1,254	(67.4)	107	242	(55.8)	-	-	-
Total	19,520	36,001	(45.8)	12,838	10,856	18.3	28,086	-	100.0
turnover									

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 increased by approximately HK\$16.6 million or 46.4% from approximately HK\$35.7 million in 1H14 to approximately HK\$52.4 million in 1H15. The increase in cost of sales was mainly due to increase in purchases of nickel ore. The rate of increase in cost of sales is higher than the increase in sales due to (a) changes in the composition of sales as in general, nickel ore commands a lower margin compared to metal gift products and jewellery products; and (b) the margin for metal gift products were higher in 1H14 due to reversal of write-down of inventories to net realisable value, which did not recur in 1H15.

The overall gross profit margin decreased by 10.3% from 23.7% in 1H14 to 13.4% in 1H15 and the overall gross profit decreased by HK\$3.0 million or 27.0% from HK\$11.1 million in 1H14 to HK\$8.1 million in 1H15. The decrease in gross profit margin and gross profit was largely attributed to a higher rate of increase in cost of sales for the reasons explained above.

### *Other income*

Other income decreased by approximately HK\$759,000 or 91.4% from approximately HK\$830,000 in 1H14 to approximately HK\$71,000 in 1H15. The decrease was mainly attributed to decline of income from sale of defected or waste materials.

### *Selling and distribution costs*

Selling and distribution costs decreased by approximately HK\$964,000 or 42.2% from approximately HK\$2.3 million in 1H14 to approximately HK\$1.3 million in 1H15. The decrease was mainly attributed to: (a) lower advertising cost by approximately HK\$300,000 and (b) lower staff cost by approximately HK\$400,000 as a result of reduction in number of staff.

### *Administrative expenses*

Administrative expenses decreased by approximately HK\$2.8 million or 34.6% from approximately HK\$8.0 million in 1H14 to approximately HK\$5.2 million in 1H15. The decrease was mainly due to: (a) lower staff cost by approximately HK\$2.0 million as a result of reduction in number of staff; (b) exchange gain of approximately HK\$150,000 instead of exchange losses of approximately HK\$195,000 in 1H14; and set off partially by both higher directors fees and emoluments by approximately HK\$500,000.

### *Finance costs*

Finance costs increased by approximately HK\$178,000 or 27.4% from approximately HK\$649,000 in 1H14 to approximately HK\$827,000 in 1H15. This was mainly due to interest from the issue of the Convertible Bonds of approximately HK\$520,000.

### *Profit before income tax*

As a result of the above, the Group had recorded a profit before income tax of HK\$800,000 (2014: HK\$1.0 million).

### *Income tax expenses*

No income tax expenses were provided in 1H14 and 1H15 as the Group had tax losses carried forward from previous years.

### **Statement of financial position**

#### *Non-current assets*

Non-current assets decreased by approximately HK\$542,000 from approximately HK\$12.5 million as at 31 December 2014 to approximately HK\$12.0 million as at 30 June 2015 due mainly to reduction in depreciation costs for the property, plant and equipment. The decrease was partly set off by a goodwill arising from the acquisition of a subsidiary, Hong Kong Silver Basic Group Limited of HK\$413,000. Please refer to announcement in relation to completion of acquisition of Hong Kong Silver Basic Group Limited dated 11 March 2015.

#### *Current assets*

Current assets increased by approximately HK\$104.7 million from approximately HK\$49.8 million as at 31 December 2014 to approximately HK\$154.7 million as at 30 June 2015. The increase was mainly attributed to (a) the increase in trade receivables of approximately HK\$16.6 million due mainly from the sale of nickel ore which commenced in 1H15; (b) the increase in trade deposit paid of approximately HK\$62.2 million which was mainly due to deposits paid to the nickel ore suppliers; (c) an increase in pledged time deposits by approximately HK\$19.4 million as security for the banking facilities granted to the nickel ore business; and (d) the increase in cash and bank balances by approximately HK\$6.9 million, mainly due to proceeds from the issue of new ordinary shares. Please refer to announcement in relation to placement of 50,000,000 new ordinary shares dated 28 May 2015.

#### *Current liabilities*

Current liabilities increased by approximately HK\$74.7 million from approximately HK\$35.9 million as at 31 December 2014 to approximately HK\$110.6 million as at 30 June 2015. The increase was mainly due to (a) increase in trade deposits received from the nickel ore customers of approximately HK\$63.7 million; and (b) increase in bank borrowings by approximately HK\$14.9 million. The increase of bank borrowings was mainly attributed to the increase in bank loans from the nickel ore operations amounting to approximately HK\$15.6 million. The increase was partly set off by lower bank borrowings for the Group's other operations.

#### *Non-current liabilities*

Non-current liabilities increased by approximately HK\$20.0 million (31 December 2014: Nil). The increase was mainly due to the issue of Convertible Bonds.

### **Liquidity and cash flow**

During 1H15, the Group's net cash used in operating activities was approximately HK\$9.6 million. This was mainly attributed to increase in deposits, prepayments and other receivables of approximately HK\$2.7 million for the nickel ore operations and



decrease in trade payables of approximately HK\$7.9 million for the metal gift and jewellery products.

During 1H15, the Group's net cash used in investing activities was approximately HK\$16.0 million. This was mainly attributed to the increase in pledged time deposits of approximately HK\$15.6 million to support the banking facilities of the nickel ore operations.

During 1H15, the Group's net cash generated from financing activities was approximately HK\$32.4 million. This was mainly attributed to the issuance of new shares of approximately HK\$9.2 million and issuance of the Convertible Bonds of approximately HK\$20.0 million.

As a result of the above, the Group's net increase in cash and cash equivalents was approximately HK\$6.9 million.

As at 30 June 2015, the Group had cash and bank balances of HK\$22.8 million (31 December 2014: HK\$15.9 million), and unutilised banking facilities of approximately HK\$32.9 million (31 December 2014: HK\$1.0 million).

During 1H15, the Group had raised funds from bank borrowings of approximately HK\$21.8 million. Repayment of bank borrowings amounted to approximately HK\$18.2 million.

#### **Use of Net Proceeds from the placement in August 2013 ("Aug 2013 Placement")**

The Board wishes to update the shareholders of the Company on the Group's utilisation of the net proceeds of approximately S\$984,000 from the Aug 2013 Placement as set out below:

<b>Use of proceeds</b>	<b>Amount of net proceeds allocated (S\$'000)</b>	<b>Amount utilised to date (S\$'000)</b>	<b>Amount unutilised to date (S\$'000)</b>
General working capital	984	984 <sup>1</sup>	-
Total	984	984	-

The allocation and utilisation of the proceeds from the Aug 2013 Placement was in accordance with the intended use as stated in the placement announcements. The Company has fully utilised the proceeds from the Aug 2013 Placement.

<sup>1</sup>The amount of net proceeds for general working capital utilised was used for administrative expenses.

### Use of Net Proceeds from the issue of 2015 Warrants

The gross proceeds from the issue of 2015 Warrants was approximately S\$181,740. The net proceeds from the issue of 2015 Warrants was nil, after deducting the professional fees as well as related expenses (comprising legal fees and other professional fees.)

### Use of Net Proceeds from the issue of the Convertible Bonds in February 2015

The Board wishes to update the shareholders of the Company on the Group's utilisation of the net proceeds of approximately S\$3.3 million from the issue of the Convertible Bonds as set out below:

Use of proceeds	Amount of net proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
Nickel ore distribution and trading business	2,640 <sup>1</sup>	-	2,640
General working capital	660	100 <sup>2</sup>	560
Total	3,300	100	3,200

The allocation and utilisation of the proceeds from the issue of the Convertible Bonds is in accordance with the intended use as stated in the issue of the Convertible Bonds announcements. The Company will make further announcements when the remaining net proceeds from the Convertible Bonds are materially disbursed.

<sup>1</sup> The funds were placed in bank deposits and pledged to the banks for facilities granted to the nickel ore operations.

<sup>2</sup> The amount of net proceeds for general working capital utilised is used for administrative expenses.

### Use of Net Proceeds from the placement (in June 2015) ("Jun 2015 Placement")

Use of proceeds	Amount of net proceeds allocated (S\$'000)	Amount utilised to date (S\$'000)	Amount unutilised to date (S\$'000)
General working capital	1,541	200 <sup>1</sup>	1,341
Total	1,541	200	1,341

The allocation and utilisation of the proceeds from the Jun 2015 Placement is in accordance with the intended use as stated in the placement announcements. The Company will make further announcements when the remaining net proceeds from the Jun 2015 Placement are materially disbursed.

<sup>1</sup> The amount of net proceeds for general working capital utilised was used for administrative expenses and purchase of materials.

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

Not applicable.

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

Metal gift products and jewellery products

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

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

Nickel ore

As at 30 June, 2015, the Group has received 1.0 million tons (equivalent to approximately USD60.0 million, based on the market price of nickel ore as at 30 June 2015) of orders on hand for nickel ore. The Group plans to deliver its orders within the next 12 months. The Group's supplier has completed infrastructural upgrades at its mining site in the Philippines. Higher amount of shipment is planned in the second half of 2015.

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

Financing business

Further to the Company's announcement dated 15 May 2015, the Group is in the process of applying the money lenders licenses for the financing business. The Group expects to obtain the license in the next six months.

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

During 1H15, the Group also conducted various fund raising activities. Please refer to 1(d)(ii) above.

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

**11. Dividend**

**(a) Current Financial Period Reported On**

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

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No interim dividend has been declared or recommended for the financial period ended 30 June 2015.

**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.



**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 2015 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

Cheung Wai Hung, Danny  
Executive Director

Date: 14 August 2015