

Joyas International Holdings Limited

(Incorporated in Bermuda)
Company Registration Number: 38991

Financial Statement And Related Announcement
For the financial year ended 31 December 2017

JOYAS INTERNATIONAL HOLDINGS LIMITED

Unaudited Full Year Financial Statement And Related Announcement for the Financial Year Ended 31/12/2017

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 year ended 31 December 2017

The Group

	2017 (Unaudited) HK$'000	2016 (Published* ("**Published**")) HK$'000	Increase/ (Decrease) %
Revenue	1,981	81,576	(97.6)
Cost of sales	-	(80,023)	(100.0)
Gross profit	1,981	1,553	27.6
Other income	1,470	3,432	(57.2)
Selling and distribution expenses	-	(2,719)	(100.0)
Administrative expenses	(8,431)	(18,641)	(54.8)
Other operating expenses	(125)	(2,722)	(95.4)
Finance costs	(1,741)	(2,300)	(24.3)
Loss before income tax	(6,846)	(21,397)	(68.0)
Income tax expense	(164)	(309)	(46.9)
Loss for the year	(7,010)	(21,706)	(67.7)
Other comprehensive income after tax:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences	(33)	(96)	(65.6)
Other comprehensive loss for the year, net of tax of nil	(33)	(96)	(65.6)
Total comprehensive loss for the year	(7,043)	(21,802)	(67.7)

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

The Group

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000	Increase (Decrease) %
Loss attributable to:			
Owners of the Company	(6,411)	(11,140)	(42.5)
Non-controlling interests	(599)	(10,566)	(94.3)
	(7,010)	(21,706)	(67.7)
Total comprehensive loss attributable to:			
Owners of the Company	(6,444)	(11,236)	(42.7)
Non-controlling interests	(599)	(10,566)	(94.3)
	(7,043)	(21,802)	(67.7)

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

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000	Increase/ (Decrease) %
Interest income	(60)	(19)	215.8
Fair value (gain)/loss on derivative component of convertible bonds	(95)	196	(148.5)
Fair value gain on warrants	(50)	(260)	(80.8)
Sales of scrap materials	-	(380)	(100.0)
Sundry income	-	(636)	(100.0)
Auditors' remuneration	810	794	2.0
Bad debts written off	126	-	100.0
Bad debts recovered	-	(109)	(100.0)
Cost of inventories recognised as expense including	-	80,023	(100.0)
- Write-down of inventories to net realisable value	-	5,526	(100.0)
- Depreciation #	-	668	(100.0)
Depreciation of property, plant and equipment	28	1,295	(97.8)
Write-off of property, plant and equipment	-	1,478	(100.0)
Write-off of intangible assets	600	-	100.0
Gain on Disposal of JGL Group (Note 1), net	(1,265)	-	100.0
Impairment of Goodwill	-	652	(100.0)
Foreign exchange loss/ (gain), net	1,310	(2,028)	(164.6)
Operating lease expense in respect of rented premises	309	935	(67.0)
Interest expenses	1,741	2,300	(24.4)

Note 1: Refers to Sale and Purchases Agreement between the Company and the purchaser of Joyas Group Limited and its subsidiaries (together "JGL Group") ("**Disposal of JGL Group**") whereby 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 Group dated 25 May 2017.

These amounts are also included in the respective total amounts disclosed separately below

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

Statement of Financial Position
As at 31 December 2017

The Group

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	62	8,616
Intangible asset	-	600
	62	9,216
Current assets		
Inventories	-	7,044
Loan and advances	23,127	10,100
Trade and other receivables	53,283	52,830
Pledged bank deposits	5,416	26,104
Cash and bank balances	3,847	13,158
	85,673	109,236
TOTAL ASSETS	85,735	118,452
EQUITY		
Capital and Reserves		
Share capital	19,139	19,139
Accumulated losses	(90,837)	(84,426)
Other reserves	111,512	111,035
Attributable to owners of the Company	39,814	45,748
Non-controlling interests	2,275	(9,492)
Total equity	42,089	36,256
LIABILITIES		
Non-current liabilities		
Convertible bonds	21,378	20,062
Warrants	18	69
	21,396	20,131
Current liabilities		
Trade and other payables	16,613	45,767
Bank and other borrowings	5,552	16,271
Current tax liabilities	85	27
	22,250	62,065
Total liabilities	43,646	82,196
Total equity and liabilities	85,735	118,452

Statement of Financial Position (continued)
As at 31 December 2017

The Company

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000
ASSETS		
Non-current assets		
Subsidiaries	8	8
Current assets		
Trade and other receivables	59,102	49,943
Cash and bank balances	731	1,527
	59,833	51,470
Total assets	59,841	51,478
EQUITY		
Capital and Reserves		
Share capital	19,139	19,139
Accumulated losses	(110,534)	(117,181)
Other reserves	129,318	128,861
Total equity	37,923	30,819
LIABILITIES		
Non-current liabilities		
Convertible bonds	21,378	20,062
Warrants	18	69
	21,396	20,131
Current liabilities		
Trade and other payables	522	528
	522	528
Total liabilities	21,918	20,659
Total equity and liabilities	59,841	51,478

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
(Unaudited)		(Published)	
HK$'000	HK$'000	HK$'000	HK$'000
5,552	-	16,271	-

Amount repayable after one year

As at 31 December 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
(Unaudited)		(Published)	
HK$'000	HK$'000	HK$'000	HK$'000
21,378	-	20,062	-

Details of any collateral

As at 31 December 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$4.3 million (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 31 December 2017, the Group's other borrowings amounted to approximately HK$1.0 million (31 December 2016: approximately HK$1.0 million). The facilities were secured by personal guarantees from the director, shareholders and employee of a subsidiary.

As at 31 December 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 year ended 31 December 2017

The Group

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000
Cash flows from operating activities		
Loss before income tax from:	(6,846)	(21,397)
Adjustments for:		
Interest income	(60)	(19)
Depreciation of property, plant and equipment	28	1,295
Share-based payment expense	456	981
Gain on Disposal of JGL Group, net	(1,265)	-
Fair value (gain) / loss on derivative component of convertible bonds	(95)	196
Fair value gain on warrants	(50)	(260)
Unrealised exchange loss/(gain)	1,310	(2,028)
Bad debts recovered	-	(109)
Impairment of goodwill	-	652
Write-down on inventories, net	-	5,526
Write-off of intangible asset	600	-
Write-off of property, plant and equipment	-	1,478
Interest expenses	1,741	2,300
Operating loss before working capital changes	(4,181)	(11,385)
Changes in inventories	-	1,861
Changes in trade and other receivables	(789)	(9,723)
Changes in loan and advances	(13,027)	(10,100)
Changes in trade and other payables	(1,149)	16,510
Cash used in operations	(19,146)	(12,837)
Interest paid	(94)	(810)
Income tax paid	(101)	(683)
Net cash used in operating activities	(19,341)	(14,330)
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	(1,310)
Net Cash flow arising from Disposal of JGL Group (Note A)	(2,799)	-
Acquisition of subsidiaries, net of cash acquired		3,291
Interest received	60	19
Net cash (used in) / generated from investing activities	(2,739)	2,000

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2017

The Group (continued)

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000
Cash flows from financing activities		
Proceeds from issue of shares	-	30,680
Share issue expense	-	(1,462)
Capital contribution from non-controlling interests	-	1,545
Interest paid on convertible bonds	(1,426)	(1,344)
Dividend paid to non-controlling shareholders	-	(1,845)
Proceeds from borrowings	4,300	38,251
Repayments of borrowings	(10,760)	(34,796)
Decrease/(Increase) in pledged bank deposits	20,688	(19,567)
Net cash generated from financing activities	12,802	11,462
Net decrease in cash and cash equivalents	(9,278)	(868)
Cash and cash equivalents at beginning of year	13,158	13,846
Effect of exchange rate fluctuations on cash and cash equivalents	(33)	180
Cash and cash equivalents at the end of the year	3,847	13,158
Analysis of balances of cash and cash equivalents		
Cash and bank balances	3,847	13,158

Note A:

The Group

	Year ended 31 December 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	10,611
Net assets	13,735
Gain on Disposal of JGL Group	1,265
Total consideration, to be satisfied in cash	15,000
Satisfied by:	
Cash	3,000
Consideration receivable	12,000
	15,000

Analysis of net flow of cash and bank balances arising on Disposal of JGL Group:	
Cash consideration received	3,000
Cash and bank balances on Disposal of JGL Group	(5,799)
	(2,799)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity
For the year ended 31 December 2017

The Group

	Equity attributable to owners of the Company									
	Share capital	Share premium	Contributed surplus	Share option reserve	Capital contribution reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance as 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 year	-	-	-	-	-	-	(11,140)	(11,140)	(10,566)	(21,706)
Other comprehensive income:										
- Foreign currency translation difference	-	-	-	-	-	(96)	-	(96)	-	(96)
Total comprehensive income for the year	-	-	-	-	-	(96)	(11,140)	(11,236)	(10,566)	(21,802)
Contributions by and distributions to owners										
- Issue of shares upon rights issue	15,089	15,536	-	-	-	-	-	30,625	-	30,625
- Issue of shares upon exercise of warrants	2	53	-	-	-	-	-	55	-	55
- Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,202	1,202
- Equity-settled share-based payment transactions	-	-	-	981	-	-	-	981	-	981
- Capital contribution by non-controlling interest in a subsidiary	-	-	-	-	3,552	-	-	3,552	1,545	5,097
- Dividend to non-controlling interests	-	-	-	-	-	-	-	-	(1,845)	(1,845)
- Share issue expenses	-	(1,462)	-	-	-	-	-	(1,462)	-	(1,462)
Total transactions with owners, recognised directly in equity	15,091	14,127	-	981	3,552	-	-	33,751	902	34,653
Balance as at 31 December 2016 and 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 year	-	-	-	-	-	-	(6,411)	(6,411)	(599)	(7,010)
Other comprehensive income:										
- Foreign currency translation difference	-	-	-	-	-	(33)	-	(33)	-	(33)
Total comprehensive income for the year	-	-	-	-	-	(33)	(6,411)	(6,444)	(599)	(7,043)
Contributions by and distributions to owners										
- Disposal of JGL Group	-	-	-	-	54	-	-	54	10,611	10,665
- Equity-settled share-based payment transactions	-	-	-	456	-	-	-	456	-	456
- Capital contribution by non-controlling interest in a subsidiary	-	-	-	-	-	-	-	-	1,755	1,755
Total transactions with owners, recognised directly in equity	-	-	-	456	54	-	-	510	12,366	12,876
Balance as at 31 December 2017 (unaudited)	19,139	51,180	52,677	2,478	5,306	(129)	(90,837)	39,814	2,275	42,089

Statement of Changes in Equity (continued)
For the year ended 31 December 2017

The Company

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance as at 1 January 2016 (audited)	4,048	37,053	75,659	1,041	(111,914)	5,887
Loss for the year	-	-	-	-	(5,267)	(5,267)
Total comprehensive income for the year	-	-	-	-	(5,267)	(5,267)
Contributions by and distributions to owners						
- Issue of shares upon rights issue	15,089	15,536	-	-	-	30,625
- Issue of shares upon exercise of warrants	2	53	-	-	-	55
- Equity-settled share-based payment transactions	-	-	-	981	-	981
- Share issue expenses	-	(1,462)	-	-	-	(1,462)
Total transactions with owners, recognised directly in equity	15,091	14,127	-	981	-	30,199
Balance as at 31 December 2016 and 1 January 2017 (published)	19,139	51,180	75,659	2,022	(117,181)	30,819
Profit for the year	-	-	-	-	6,648	6,648
Total comprehensive income for the year	-	-	-	-	6,648	6,648
Contributions by and distributions to owners						
- Equity-settled share-based payment transactions	-	-	-	456	-	456
Total transactions with owners, recognised directly in equity 456	-	-	-	456	-	
Balance as at 31 December 2017 (unaudited)	19,139	51,180	75,659	2,478	(110,533)	37,923

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Movements to the Share Capital

	Number of shares	HK$'000
Authorised:		
As at 30 June 2017 and 31 December 2017, ordinary shares of HK$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
As at 30 June 2017 and 31 December 2017, ordinary shares of HK$0.01 each	1,913,776,973	19,139

The Group has the following outstanding convertible securities as at 31 December 2017 and 31 December 2016:

Outstanding Convertible Securities	As at 31 December 2017 (Unaudited)	As at 31 December 2016 (Published)
Warrants [1]	26,924,415 [5]	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 31 December 2017 (Unaudited)	As at 31 December 2016 (Published)
Warrants Total number of shares that may be issued on conversion of the Company's outstanding warrants [1]	26,924,415 [5]	18,173,980
Convertible Bonds Total number of shares that may be issued on conversion of the Company's convertible bonds [1]	76,162,167 [6]	35,034,597
Share Options 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

The total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 December 2017 and 31 December 2016 was 1,913,776,973 shares respectively.

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.

(5) Up to 8,750,435 new ordinary shares in the capital of the company at an exercise price of S$0.07 each ("**Adjusted Warrant Shares**"), arising from the adjustments made to the number and exercise price of the Warrants under the terms and conditions constituted in the Warrant deed poll dated 15 January 2015. Please refer to the Company's announcement dated 20 March 2017.

(6) Up to 41,127,570 new ordinary shares in the capital of the Company at a conversion price of S$0.046 each ("**Adjusted Convertible Shares**"), arising from the adjustment made to the conversion price of the Convertible Bonds under the terms and conditions constituted in the Convertible Bonds trust deed dated 15 January 2015. Please refer to the Company's announcement dated 20 March 2017.

Save for the above, the Company did not have any treasury shares, other outstanding convertible securities and subsidiary holdings as at 31 December 2017 and 31 December 2016.

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

The Group has fully utilised the net proceeds of approximately S$5.03 million from the Rights Issue as 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[1]	-
Total	5,029	5,029	-

[1] Approximately S$1,006,000 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 31 December 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	1,913,776,973	1,913,776,973

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

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

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

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

Not applicable, as the Company did not have any subsidiary holdings as at the end of the financial period reported on.

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

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

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

Not applicable.

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

The Group has applied the same International Financial Reporting Standards and related interpretations ("IFRS") accounting policies and methods of computation in the financial statements for the current financial year as those adopted in the audited financial statements for the financial year ended 31 December 2016, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning from 1 January 2017. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The Group

	Year ended 31 December	
	2017 (Unaudited)	2016 (Published)
Loss for the year attributable to owners of the Company (HK$'000)	(6,411)	(11,140)
Weighted average number of ordinary shares in issue[(1)] ('000)	1,913,777	1,016,689
Basic and diluted earnings/(loss) per ordinary share[(2)] (HK cents)	(0.33)	(1.09)

Notes:

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

(2) For the financial years ended 31 December 2017 and 2016, basic earnings/(loss) per ordinary share are the 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 years of 2017 and 2016 and the exercise of convertible bonds would result in a decrease in loss per share in the financial year ended 31 December 2017 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 treasuy 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 31 December 2017 (Unaudited)	As at 31 December 2016 (Published)	As at 31 December 2017 (Unaudited)	As at 31 December 2016 (Published)
Net asset value per ordinary share based on issued share capital (HK cents)	2.08	2.39	1.98	1.61

Net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares as at 31 December 2017 and 31 December 2016 of 1,913,776,973 ordinary shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of profit or loss and other comprehensive income

Revenue

The Group's revenue decreased by approximately 97.6% from HK$81.6 million in the financial year ended 31 December 2016 ("**FY2016**") to approximately HK$2.0 million in the financial year ended 31 December 2017 ("**FY2017**")..

Revenue	FY2017		FY2016		Year-on-year
	HK$'000	%	HK$'000	%	% change
Metal Gift Products	-	-	38,988	47.8	(100.0)
Jewellery Products	-	-	15,046	18.4	(100.0)
Nickel Ore	-	-	27,206	33.4	(100.0)
Financing Activities	1,981	100.0	336	0.4	489.6
Total	1,981	100.0	81,576	100.0	(97.6)

The decrease in revenue was attributable to absence of sale of nickel ore by approximately HK$27.2 million or 100.0% to HK$Nil in FY2017 in the People's Republic of China (including Hong Kong) (the "**PRC (including HK)**") due to: (i) the Company's supplier in the Philippines is still waiting to get export approvals due to new additional procedures required from the relevant authorities and (ii) the Company's Indonesia subsidiary namely, PT Global Linker Indonesia ("**PTGLI**") has received some orders for nickel ore for the domestic market and is in the process of arranging contractors to extract the nickel ore.

The decrease in revenue was also attributable to absence of sales of metal gift and jewellery products by approximately total HK$54.0 million or 100.0% to HK$Nil in FY2017 due to the Disposal of JGL Group in FY2017. This is because pursuant to the Sale and Purchases Agreement between the Company and the purchaser of Joyas Group Limited and its subsidiaries, 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 of JGL dated 25 May 2017.

The decrease in revenue of metal gift and jewellery products and nickel ore was partly offsetted by an increase in interest income from the financing business by approximately HK$1.6 million or 489.6% to approximately HK$2.0 million in FY2017. The increase in interest income was mainly due to increase in number of loan disbursements.

An analysis of sales of the Group's products to its principal markets, namely the United States of America ("**USA**"), Europe, the PRC (including HK) and others during the period under review are as follows:-

	Metal Gift Products			Jewellery Products			Nickel Ore			Financing Activities		
	FY2017	FY2016	Change	FY2017	FY2016	Change	FY2017	FY2016	Change	FY2017	FY2016	Change
	HK'000	HK'000	%	HK'000	HK'000	%	HK'000	HK'000	%	HK'000	HK'000	%
USA	-	10,005	(100.0)	-	2,405	(100.0)	-	-	-	-	-	-
Europe	-	18,404	(100.0)	-	-	-	-	-	-	-	-	-
The PRC (inculding HK)	-	9,805	(100.0)	-	12,399	(100.0)	-	27,206	(100.0)	1,105	168	557.7
Others [(1)]	-	774	(100.0)	-	242	(100.0)	-	-	-	876	168	421.4
Total turnover	-	38,988	(100.0)	-	15,046	(100.0)	-	27,206	(100.0)	1,981	336	489.6

Note:-

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

Cost of sales and gross profit

Cost of sales decreased by 100.0% from approximately HK$80.0 million in FY2016 to HK$Nil in FY2017 due to the absence of sales of metal gift; jewellery products and nickel ore during FY2017. There was no cost of sales for the financing business.

The overall gross profit margin increased from 1.9% in FY2016 to 100.0% in FY2017 as there were no cost of sales for the financing business and the overall gross profit increased by approximately HK$428,000 or 27.6% from approximately HK$1.6 million in FY2016 to approximately HK$2.0 million in FY2017.

Other income

Other income decreased by 57.2% from approximately HK$3.4 million in FY2016 to approximately HK$1.5 million in FY2017. The decrease was mainly attributed to: (a) lower fair value gain on warrants as compared with a gain of approximately HK$260,00 in FY2016 to a gain of approximately HK$50,000 in FY2017; (b) absence of foreign exchange gain of approximately HK$2.0 million in FY2016 following Disposal of JGL Group. The Group reported foreign exchange loss of approximately HK$1.3 million under administration expenses in FY2017. The exchange gain / loss arised mainly from appreciation of Singapore dollars ("**SGD**") against Hong Kong dollars ("**HKD**") for translation of currency on exchange of convertible bonds and warrants; and. (c) no other income from sales of scrap materials metal gift and jewellery products were accounted for FY2017.

The decrease in other income was partly offsetted by a gain from Disposal of JGL Group for approximately $1.3 million.

Selling and distribution expenses

No selling and distribution expenses was incurred in FY2017 as there were no sales of metal gifts, jewellery products and nickel ore,.

Administrative expenses

Administrative expenses decreased by 54.8% from approximately HK$18.6 million in FY2016 to approximately HK$8.4 million in FY2017. The decrease was mainly attributed to: (a) absence of administration expenses from Disposal of JGL Group by approximately HK$12.7 million in following the Disposal of JGL Group; and (b) decrease in share option payment expense by approximately HK$525,000.

The decrease was partly offsetted by: (a) writing off of intangible asset by HK$600,000 due to uncertain future economic benefit of the intangible asset to the group; (b) increase in auditor remuneration by approximately HK$153,000 due mainly to under-provision of auditors' remuneration in FY2016; (c) increase in foreign exchange loss of approximately HK$1.3 million mainly arising from appreciation of SGD against HKD; and (d) increase in legal fee by approximately HK$454,000 attributed mainly to increase in legal and advisory work incurred in relation to corporate actions undertaken by the Group.

The Company provided less depreciation for FY2017 due to derecognition of property, plant and equipment held by JGL Group following the Disposal of JGL Group

Other operating expenses

Other operating expenses decreased by approximately HK$2.6 million or 95.4% from approximately HK$2.7 million in FY2016 to approximately HK$125,000 in FY2017. The decrease was mainly due to: (a) no impairment of goodwill from acquisition of subsidiaries was recorded in FY2017 while approximately HK$652,000 was recorded in FY2016; (b) decrease in share of loss of an associate of approximately HK$ 119,000; and (c) absence of other operating expenses from JGL Group by approximately HK$1.7 million in FY2016 following the Disposal of JGL Group The decrease was offsetted by a bad debt written off of approximately HK$125,000 in FY2017 from nickel operation.

Finance costs

Finance costs decreased by approximately HK$559,000 or 24.3% in FY2017 due mainly to: (a) decrease in bank loans utilised during FY2017; and (b) absence of finance expenses from JGL Group by approximately HK$500,000 in FY2016 following the Disposal of JGL Group.

Loss before income tax

As a result of the above, the Group had recorded a loss before income tax of approximately HK$6.8 million in FY2017 (FY2016: approximately HK$21.4 million).

Income tax expense

Income tax expense of approximately HK$156,000 and HK$8,000, respectively was provided for Hong Kong subsidiaries and the Indonesia subsidiary in FY2017 (FY2016: HK$309,000 and HK$ Nil, respectively) . The provision is mainly due to higher assessable profits for certain subsidiaries in FY2016 and FY2017.

Statement of Financial Position

Non-current assets

Non-current assets decreased by approximately HK$9.1 million from approximately HK$9.2 million as at 31 December 2016 to approximately HK$62,000 as at 31 December 2017. The decrease was mainly due to derecognition of property, plant and equipment by approximately HK$8.6 million following Disposal of JGL Group and the written-off of intangible asset of HK$600,000.

Current assets

Current assets decreased by approximately HK$23.5 million from approximately HK$109.2 million as at 31 December 2016 to approximately HK$85.7 million as at 31 December 2017. The decrease was mainly due to: (a) derecognition of current assets by approximately HK$30.0 million following the Disposal of JGL Group; and (b) repayment of pledged bank deposits of approximately HK$20.7 million.

Such decrease was partially offsetted by: (a) increase in other receivable of HK$12.0 million, being the current portion of the outstanding proceeds for the Disposal of JGL Group ("**Outstanding Proceeds**"). As a security for Outstanding Proceeds, the purchaser of the JGL Group has charged the shares of Joyas Group Limited in favour of the Company until the Outstanding Proceeds has been satisfied in full; and (b) increase in loan and advances of approximately HK$13.0 million in financing activities. The deposits to supplier of approximately HK$24.4 million paid in FY2015 remains outstanding due to delay in obtaining export approvals. The Group is in the process of working with the supplier on the recovery of the deposits which includes possible sale of certain mining concessions held by the owner of the supplier. The deposit are secured by a personal guarantee from the Group's joint venture partner, personal guarantees from minority shareholders of Hong Kong Silver Basic Group Limited, a subsidiary of the Group and also a share pledge in a mining company in Indonesia, which owns concessions in the mining of nickel ore in Indonesia.

Current liabilities

Current liabilities decreased by approximately HK$39.8 million from approximately HK$62.1 million as at 31 December 2016 to approximately HK$22.3 million as at 31 December 2017. The decrease was mainly due to: (a) decrease in trade and other payables of approximately HK$35.5 million due to derecognition of current liabilities following the Disposal of JGL Group; and (b) net decrease in bank and other borrowings of approximately HK$6.5 million due to repayment of bank loans.

Non-current liabilities

Non-current liabilities remained at approximately HK$21.4 million as at 31 December 2017 (31 December 2016: approximately HK$20.1 million). The slight increase was mainly due to the increase in unrealised exchange loss of approximately HK$1.3 million for convertible bonds and warrants.

Liquidity and cash flow

During FY2017, the Group's net cash used in operating activities was approximately HK$19.3 million. This was mainly attributed to loss before working capital changes of approximately HK$4.2 million, increase in trade and other receivables of approximately HK$789,000, increase in loan and advances of approximately HK$13.0 million, and decrease in trade and other payables of approximately HK$1.1 million.

During FY2017, the Group's net cash used in investing activities was approximately HK$2.7 million. This was mainly attributed to net cash flow arising from Disposal of JGL Group of approximately HK$2.8 million.

During FY2017, the Group's net cash generated from financing activities was approximately HK$12.8 million. This was mainly attributed to the decrease in pledged bank deposit of approximately HK$20.7 million. During FY2017, the Group had raised funds from bank and other borrowings of approximately HK$4.3 million. Repayment of bank and other borrowings amounted to approximately HK$10.8 million. The Group also paid interest on convertible bonds of approximately HK$1.4 million.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK$9.3 million (FY2016: approximately HK$868,000).

As at 31 December 2017, the Group had cash and bank balances of approximately HK$3.8 million (31 December 2016: approximately HK$13.2 million), and unutilised banking facilities of approximately HK$1.1 million (31 December 2016: approximately HK$25.5 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 or prospect 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 obtained a specific license to sell nickel ore domestically in Indonesia. The Group has received some orders for nickel ore for the domestic market and is in the process of arranging contractors to extract the nickel ore.

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. As at to date, no formal announcement by the Indonesian authorities has been made.

Financing business

For the year ended 31 December, 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

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

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Directors did not recommend any payment of dividend for the financial year ended 31 December 2017.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements with comparative information for the immediately preceding year.

Information regarding the Group's reportable segments set out below:

Year ended 31 December

	Metal Gift Products		Jewellery Products		Financing Activities		Nickel Ore		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**
Reportable segment revenue: From external customers	-	38,988	-	15,046	**1,981**	336	-	27,206	**1,981**	81,576
Reportable segment (loss)/ profit	-	(10,699)	-	(4,741)	**1,046**	210	**(1,635)**	417	**(589)**	(14,813)
Depreciation of property, plant and equipment	-	1,277	-	3	-	-	**28**	15	**28**	1,295
Bad debts recovered	-	-	-	(109)	-	-	-	-	-	(109)
Bad debts written off	-	-	-	-	-	-	**126**	-	**126**	-
Write-down of inventories to net realisable value, net	-	264	-	5,262	-	-	-	-	-	5,526
Written off of intangible assets	-	-	-	-	**600**	-	-	-	**600**	-
Reportable segment assets	-	15,719	-	16,889	**23,724**	10,817	**40,803**	35,558	**64,527**	78,983
Additions to non-current segment assets during the year	-	1,280	-	-	-	-	-	30	-	1,310
Reportable segment liabilities	-	14,697	-	2,348	**187**	40	**15,177**	13,248	**15,364**	30,333

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2017 (Unaudited) HK$'000	2016 (Published) HK$'000
Reportable segment revenues	**1,981**	81,576
Group revenues	**1,981**	81,576
Reportable segment loss	**(589)**	(14,813)
Gain on Disposal of JGL Group, net	**1,265**	-
Fair value gain on warrants	**50**	260
Fair value gain/(loss) on convertible bonds	**95**	(196)
Unallocated corporate income	**58**	439
Corporate legal and professional fees	**(1,488)**	(1,124)
Unallocated corporate expenses	**(4,496)**	(3,663)
Finance costs	**(1,741)**	(2,300)
Group loss before income tax	**(6,846)**	(21,397)
Reportable segment assets	**64,257**	78,983
Pledged bank deposits	**5,416**	26,104
Cash and bank balances	**3,847**	13,158
Other corporate assets	**12,215**	207
Group assets	**85,735**	118,452
Reportable segment liabilities	**15,364**	30,333
Bank borrowings	**5,552**	15,139
Convertible bonds	**21,378**	20,062
Warrants	**18**	69
Other corporate liabilities	**1,334**	16,593
Group liabilities	**43,646**	82,196

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		**Non-current assets**	
	2017 (Unaudited) HK$'000	2016 (Published) HK$'000	**2017 (Unaudited) HK$'000**	2016 (Published) HK$'000
Principal markets:				
USA	**-**	12,410	-	-
Europe	**-**	18,404	-	-
The PRC (including Hong Kong)	**1,105**	49,578	**17**	9,154
Others	**876**	1,184	**45**	62
	1,981	81,576	**62**	9,216

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

During the year, there was no revenue from external customers attributed to Bermuda (domicile) and no non-current assets were located in Bermuda (2016: HK$Nil). The country of domicile is the country where the Company was incorporated for the purpose of the disclosure as required by IFRS 8 "Operating Segments".

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As explained in paragraph 8.

15. A breakdown of sales.

Year ended 31 December

The Group	2017 (Unaudited) HK$'000	2016 (Unaudited) HK$'000	Change %
Sales reported for the first half	933	36,770	(97.5)
Net loss after tax reported for the first half	(1,902)	(3,261)	(41.7)
Sales reported in the second half	1,048	44,806	(97.7)
Net loss after tax reported in the second half	(5,108)	(18,445)	(72.3)

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

Not applicable as no dividend has been declared or recommended for FY2017 and FY2016.

17. Summary of Interested Person Transactions for the financial year ended 31 December 2017.

The Group has not obtained a general mandate from shareholders for interested person transactions ("**IPT**") pursuant to Rule 920(1)(a)(ii).

There was no IPT with value of more than S$100,000 entered into during the financial period.

18. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Catalist Rules")

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.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
27 February 2018

This announcement has been prepared by Joyas International Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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