



**JES INTERNATIONAL HOLDINGS LIMITED**

(Company Registration No: 200604831K)

Unaudited Results for the Fourth Quarter ended  
31 December 2015

**PART I - INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENTS****Explanatory notes:**

On 4 March 2015, the Company has requested for mandatory trading suspension over the Company's shares from the Singapore Exchange Securities Trading Limited ("SGX-ST") as Jiangsu Eastern Heavy Industries Co., Ltd ("JEHI"), a major subsidiary of the Company in the People's Republic of China (the "PRC"), had filed an application in Taizhou Intermediate People's Court, Jiangsu Province (the "Taizhou Court") in the "PRC" for a proposed restructuring scheme between JEHI and certain of its creditors (the "Application") for the purposes of implementing and facilitating the Group's consensual restructuring of its debt and liabilities in a manner which would maximise the value of the Company and its assets for its creditors and shareholders (the "Proposed Restructuring"). However, the Application had been rejected by the Taizhou Court and that JEHI had subsequently submitted an appeal to the next higher court in the Chinese judiciary hierarchy, the Jiangsu High People's Court (the "Jiangsu High Court") (the "Appeal"). Referring to the Company's latest announcement, Jingjiang Court has indicated that the Taizhou Court has accepted the Application, subject to there being no objections to the same within 7 days of 20 September 2016.

The Company therefore had on 12 February 2016 entered into a conditional sale and purchase agreement (the "SPA") with Hong Kong Victo International Limited (the "Purchaser"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the whole of the registered capitals of JEHI and Jiangsu New Eastern Marine Engineering Equipment Co., Ltd ("JNEME") and 49% of the registered capital of Jiangsu Nereus Shipyard Co., Ltd ("JNS") (the "Proposed Disposal"). The Proposed Disposal will result in the disposal of the Group's shipbuilding business, which as at the date of this report would comprise of JEHI, JNEME, JNS, Jingjiang Eastern Heavy Steel Structure Co., Ltd ("JEHSS") and JYJJP Eastern Shipyard Supplies Co., Ltd ("JES Supplies") (collectively, the "PRC Subsidiaries"). Neither the Proposed Restructuring nor the Proposed Disposal is conditional upon the other, and accordingly, the Proposed Restructuring is independent of the Proposed Disposal. Regardless of the Proposed Restructuring, the Company will proceed with the Proposed Disposal provided that all of the conditions in the SPA are fulfilled. It was also agreed that the Purchaser will assume all responsibilities, duties and obligations of the Company in all matters relating to the Proposed Restructuring from the date of the SPA, including but not limited to liaising with the all Relevant Authorities and affected parties on the Proposed Restructuring.

As previously announced by the Company on 2 July 2015 and 20 August 2015, the Group does not currently have in its possession all of its accounting and/or administrative records of the PRC Subsidiaries. There was no proper handover of accounting records from Mr Jin Xin to the current Management. In fact, some of the Group's electronic and paper records have been either removed or destroyed by relatives of Mr Jin Xin and the local police are still continuing their investigations in relation to the unrecovered records. Whilst some of such electronic and paper records have since been recovered, such records are currently not in the possession of the Group but in the possession of local courts and/or the local police (as the case may be) due to the Proposed Restructuring and misappropriation by the said individuals. The remaining records of the PRC Subsidiaries are not in the possession of the local courts and/or police have yet to be recovered by the Company. Some records have been destroyed by relatives of Mr Jin Xin and the local police are still continuing their investigations in relation to the unrecovered records.

Accordingly, the Current Board that had recently reconstituted on 22 July 2016 with only two directors from the previous Board is of the view that it may be misleading to consolidate the accounts of the PRC Subsidiaries when the Company and the Auditors are unable to verify the completeness, accuracy, or truthfulness of such records. The Company's Hong Kong and Singapore subsidiaries are dormant companies. In light of the above, the Company only prepares the financial information of the Company and not the consolidated financial statement of the Group for FY2015.

The Company would like to advise shareholders to act with caution when reviewing such financial information.

- 1.(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Unaudited Consolidated Income Statement**

	Company		% change + / (-)	Group		% change + / (-)
	4Q15 RMB'000	4Q14 RMB'000		FY15 RMB'000	FY14 RMB'000	
<b>Revenue</b>	-	50,136	NM	-	176,324	NM
<b>Cost of sales</b>	-	(119,150)	NM	-	(292,955)	NM
<b>Gross loss</b>	-	(69,014)	NM	-	(116,631)	NM
Other operating income	13	(49,753)	NM	57	16,853	NM
Selling and distribution costs	-	-		-	(2,641)	NM
Administrative expenses	(1,442,559)	(31,370)	NM	(1,448,171)	(59,510)	NM
Other operating expenses	(718)	(49,458)	NM	(718)	(61,233)	NM
Finance costs	-	(22,855)	NM	(28)	(67,273)	NM
Share of loss from joint venture	-	(9)	NM	-	(14)	NM
<b>Loss before income tax</b>	<b>(1,443,264)</b>	<b>(222,459)</b>	NM	<b>(1,448,860)</b>	<b>(290,449)</b>	NM
Income tax expense	(17)	(17)	-	(17)	(17)	-
<b>Loss for the period/year</b>	<b>(1,443,281)</b>	<b>(222,476)</b>	NM	<b>(1,448,877)</b>	<b>(290,466)</b>	NM

**Unaudited Consolidated Statement of Comprehensive Income**

Loss for the period/year	(1,443,281)	(222,476)	(1,448,877)	(290,466)
<u>Other Comprehensive income/(expense)</u>				
Foreign currency translation difference	37,721	881	(16,408)	2,024
<b>Total Comprehensive expense for the period/year</b>	<b>(1,405,560)</b>	<b>(221,595)</b>	<b>(1,465,285)</b>	<b>(288,442)</b>

NM – Not meaningful.

The comparison is not meaningful as the announcement is prepared in company level, instead of in group level as previous.

- 1.(a) (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	Company			Group		
	4Q15	4Q14	% change + / (-)	FY15	FY14	% change + / (-)
	<u>RMB'000</u>	<u>RMB'000</u>		<u>RMB'000</u>	<u>RMB'000</u>	
<b><u>Income/(expense):</u></b>						
Allowance for impairment of investment in subsidiaries	1,280,050	-	NM	1,280,050	-	NM
Allowance for impairment of receivables from subsidiaries	148,412	-	NM	148,412	-	NM
Allowance for impairment of available-for-sale investment	9,350	-	NM	9,350	-	NM
Interest income	*	820	NM	*	5,831	NM
Gain on sale of scrap materials	-	78	NM	-	1,955	NM
Net foreign exchange (loss)/gain	(721)	(806)	NM	(718)	(2,279)	NM
Allowance for doubtful trade receivable	-	(859)	NM	-	(859)	NM
Reversal of accrued commission	-	-		-	-	
Liquidated and ascertained damages from construction contracts (net)	-	(50,839)	NM	-	8,813	NM
Foreseeable losses from construction contracts	-	(8,358)	NM	-	(10,823)	NM
Loss from cancellation of contract	-	-		-	-	
Depreciation of property, plant and equipment	-	(18,103)	NM	(23)	(68,657)	NM
Amortisation of land-use rights	-	(1,833)	NM	-	(3,132)	NM
Operating lease expenses	-	(170)	NM	-	(698)	NM
Interest expense	*	(22,852)	NM	*	(64,482)	NM

\* Less than RMB1,000

NM – Not meaningful.

The comparison is not meaningful as the announcement is prepared in company level, instead of in group level as previous.

- 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**

	<b>Group</b>	<b>Company</b>	
	As at 31 Dec 2014 RMB'000	As at 31 Dec 2015 RMB'000	As at 31 Dec 2014 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment*	1,531,278	125	150
Land-use rights	73,544	-	-
Investments in subsidiaries	-	-	1,295,879
Investment in joint venture	47	-	-
Investment in associate	- <sup>**</sup>	-	-
Available-for-sale investments	19,353	-	9,888
Loan to a third party	14,594	-	-
Long-term trade receivables	8,138	-	-
	<u>1,646,954</u>	<u>125</u>	<u>1,305,917</u>
<b>Current assets</b>			
Inventories	58,112	-	-
Due from customers for construction contracts	960,185	-	-
Trade receivables	17,301	-	-
Other receivables, prepayments and deposits	496,555	51,952	52,815
Due from ultimate holding company	85	-	-
Due from subsidiaries	-	3,244	143,474
Due from joint venture	1,714	-	-
Due from associate (trade)	29,385	-	-
Deposits for notes payable	2,099	-	-
Pledged fixed deposits	265,277	-	-
Cash and cash equivalents	23,273	443	741
	<u>1,853,986</u>	<u>55,639</u>	<u>197,030</u>
<b>Less: current liabilities</b>			
Trade payables	558,461	-	-
Other payables and accruals	200,043	3,335	2,185
Provision for liquidated and ascertained damages	71,278	-	-
Due to customers for construction contracts	655,465	-	-
Due to ultimate holding company	11,506	12,802	11,506
Due to a related party	53,569	-	-
Due to subsidiaries	-	183,371	169,030
Bank borrowings	677,666	-	-
Notes payable	215,976	-	-
Income tax payable	38	17	-
	<u>2,444,002</u>	<u>199,525</u>	<u>182,721</u>
<b>Net current liabilities</b>	<u>(590,016)</u>	<u>(143,886)</u>	<u>14,309</u>
<b>Non-current liability</b>			
Borrowings	23,291	24,589	23,291
<b>Net assets</b>	<u>1,033,647</u>	<u>(168,350)</u>	<u>1,296,935</u>
<b>Capital and Reserves attributable to owners of the Company</b>			
Share capital	1,411,583	1,411,583	1,411,583
Capital reserve	52,014	52,014	52,014
Statutory reserve	92,604	-	-
Merger reserve	(14,478)	-	-
Foreign currency translation reserve	(32,031)	(129,257)	(112,849)
Accumulated losses	(476,045)	(1,502,690)	(53,813)
<b>Total equity</b>	<u>1,033,647</u>	<u>(168,350)</u>	<u>1,296,935</u>

\* Amounts stated will be subject to changes arising from a valuation report which will be issued for the purpose of the Group's restructuring.

\*\* Amount less than RMB1,000.

- 1.(b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(A) the amount repayable in one year or less, or on demand whether the amounts are secured or unsecured;

	<u>Company</u>		<u>Group</u>	
	As at 31 Dec 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Bank borrowings	-	-	677,666	-

(B) The amount repayable after one year whether the amounts are secured or unsecured; and

	<u>Company</u>		<u>Group</u>	
	As at 31 Dec 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Borrowings	24,589	-	23,291	-

(C) Details of any collateral.

	<u>Company</u>	<u>Group</u>
	As at 31 Dec 2015	As at 31 Dec 2014
	<u>RMB'000</u>	<u>RMB'000</u>
Secured by guarantee from ultimate holding company	24,589	23,291
Secured by guarantee from a third party	-	88,000
Secured by current assets of subsidiaries	-	122,000
Secured by guarantees from a director and a related company	-	467,666
	<b>24,589</b>	<b>700,957</b>

**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.**
**Unaudited Consolidated Statement of Cash Flows**

	<b>Group</b>	<b>Company</b>	<b>Group</b>
	<b>4Q14</b>	<b>FY15</b>	<b>FY14</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>			
Loss before income tax	(222,460)	<b>(1,448,860)</b>	(290,449)
Adjustments for:			
Allowance for impairment of investment in subsidiaries	-	<b>1,280,050</b>	-
Allowance for impairment of receivables from subsidiaries	-	<b>148,412</b>	-
Allowance for impairment of investment	-	<b>9,350</b>	-
Depreciation of property, plant and equipment	18,103	<b>23</b>	68,657
Amortisation of land-use rights	1,833	-	3,132
Allowance for doubtful other debts	859	-	859
Impairment loss on inventories	40,000	-	40,000
Interest income	(820)	-	(5,831)
Interest expenses	22,852	-	64,482
Foreseeable losses from construction contracts	8,358	-	10,823
Liquidated and ascertained damages from construction contracts	50,839	-	(8,813)
Share of loss from joint venture	9	-	14
Unrealised translation gain/(loss)	(3,697)	<b>693</b>	735
Operating cash flows before movements in working capital	(84,124)	<b>(10,332)</b>	(116,391)
Inventories	9,436	-	21,981
Due from/to customers for construction contracts	154,517	-	199,484
Trade receivables	(3,226)	-	129
Other receivables, prepayment and deposits	119,749	<b>212</b>	60,236
Deposits for notes payable	37,229	-	228,083
Pledged fixed deposits	(17,197)	-	(76,403)
Trade payables	(190,405)	-	(216,813)
Other payables and accruals	29,516	<b>4,105</b>	86,192
Due from/to related parties	872	-	10,799
Due from joint venture	29	-	(9)
Due from associate (trade)	21	-	23,590
Notes payable	(170,840)	-	(341,200)
Cash generated used in operations	(114,423)	<b>(6,015)</b>	(120,322)
Income tax paid	(5)	-	(5)
Interest paid	(22,852)	-	(64,482)
Interest received	1,569	-	6,366
<b>Net cash used in operating activities</b>	<b>(135,711)</b>	<b>(6,015)</b>	<b>(178,443)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(21,359)	-	(26,703)
Advances to a subsidiary	-	(181)	-
Purchase of an available-for-sale investment	(9,888)	-	(9,888)
<b>Net cash used in investing activities</b>	<b>(31,247)</b>	<b>(181)</b>	<b>(36,591)</b>
<b>Cash flows from financing activities</b>			
Due from ultimate holding company	11,836	<b>458</b>	11,836
Advances from subsidiaries	-	<b>5,429</b>	-
Proceeds from subscription of proposed placement shares	-	-	29,665
Proceeds from bank borrowings	245,575	-	549,124
Repayment of bank borrowings	(168,450)	-	(390,223)
<b>Net cash from/(used in) financing activities</b>	<b>88,961</b>	<b>5,887</b>	<b>200,402</b>



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### Unaudited Consolidated Statement of Cash Flows (Continued)

	Group 4Q14 <u>RMB'000</u>	Company FY15 <u>RMB'000</u>	Group FY14 <u>RMB'000</u>
Net increase/(decrease) in cash and cash equivalents	(77,997)	(309)	(14,632)
Net effect of exchange rate changes on the balance of cash held in foreign currencies	1,810	11	963
Cash and cash equivalents at beginning of the financial period/year	99,460	741	36,942
Cash and cash equivalents at end of the financial period/year	<u>23,273</u>	<u>443</u>	<u>23,273</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Unaudited Statement of Changes in Shareholders' Equity**

	Share Capital	Capital Reserve	Statutory Reserve	Merger Reserve	Foreign Currency Translation Reserve	Accumulated Profits/(losses)	Equity Attributable to Owners of the Company
<b><u>The Group</u></b>	<b><u>RMB '000</u></b>	<b><u>RMB '000</u></b>	<b><u>RMB '000</u></b>	<b><u>RMB '000</u></b>	<b><u>RMB '000</u></b>	<b><u>RMB '000</u></b>	<b><u>RMB '000</u></b>
At 1 January 2014	1,381,918	–	92,604	(14,478)	(34,055)	(185,579)	1,240,410
Total comprehensive expense for the period	–	–	–	–	2,024	(290,466)	(288,442)
Borrowing of shares	–	52,014	–	–	–	–	52,014
Placement of shares	29,665	–	–	–	–	–	29,665
<b>At 31 December 2014</b>	<b>1,411,583</b>	<b>52,014</b>	<b>92,604</b>	<b>(14,478)</b>	<b>(32,031)</b>	<b>(476,045)</b>	<b>1,033,647</b>
<b><u>The Company</u></b>							
At 1 January 2014	1,381,918	–	–	–	(33,819)	(43,288)	1,304,811
Total comprehensive expense for the period	–	–	–	–	(79,030)	(10,525)	(8,693)
Borrowing of shares	–	52,014	–	–	–	–	52,014
Placement of shares	29,665	–	–	–	–	–	29,665
<b>At 31 December 2014</b>	<b>1,411,583</b>	<b>52,014</b>	<b>–</b>	<b>–</b>	<b>(112,849)</b>	<b>(53,813)</b>	<b>1,296,935</b>
At 1 January 2015	1,411,583	52,014	–	–	(112,849)	(53,813)	1,296,935
Total comprehensive expense for the period	–	–	–	–	(16,408)	(1,448,877)	(1,465,285)
<b>At 31 December 2015</b>	<b>1,411,583</b>	<b>52,014</b>	<b>–</b>	<b>–</b>	<b>(129,257)</b>	<b>(1,502,690)</b>	<b>(168,350)</b>



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- 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 held as treasury shares, if any, against the total number of 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.

Not applicable.

- 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 immediately preceding year.

The share capital of the Company comprised 1,208,028,000 ordinary shares as at 31 December 2015 and 31 December 2014 respectively.

The Company did not hold any treasury share as at 31 December 2015 and 31 December 2014 respectively.

- 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 report on.

Not applicable.

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

The financial information for the fourth quarter ended 31 December 2015 have neither been audited nor 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 accounting policies and methods of computation adopted for the current period reported on are consistent with the latest audited financial statements for the financial year ended 31 December 2014.

The Group has adopted all the Singapore Financial Reporting Standards ("FRS") that are applicable for financial years beginning on or after 1 January 2015. The application of these FRS has no material impact financial statements of the Group and the Company.

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.

Not applicable.

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

- (a) Based on the weighted average number of ordinary shares on issue; and  
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	<u>Group</u>		<u>Group</u>	
	Fourth quarter ended 31 Dec		Full Year ended 31 Dec	
	2015	2014	2015	2014
<b>(Loss)/Earnings per share (RMB Cents)</b>				
- Based on the weighted average number of ordinary shares in issue	N.A.	(18.42)	N.A.	(24.33)
<b>Number of shares</b>				
- Weighted average number of ordinary shares in issue	N.A.	1,208,028,000	N.A.	1,193,874,575

No dilutive earnings per share have been presented as there are no dilutive instruments in issue.



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7. **Net asset value (for the issuer and group) per ordinary share based on the total 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 31 Dec 2014	As at 31 Dec 2015	As at 31 Dec 2014
<b>Net asset value per ordinary share (RMB Cents)</b>	85.56	<b>(13.93)</b>	<b>107.36</b>
Number of issued ordinary shares as at end of the period	1,208,028,000	<b>1,208,028,000</b>	<b>1,208,028,000</b>

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 period reported on.**

### Explanatory Note

The comparative consolidated financial statements of the Group for FY2014 contained the results of the PRC Subsidiaries. Due to the unavailability of the complete accounting records of the PRC subsidiaries, the Company eventually prepares the financial statements of the Company for FY2015.

In addition, the Company had on 12 February 2016 entered into a conditional sale and purchase agreement (the "SPA") with Hong Kong Victo International Limited (the "Purchaser"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the Company's PRC Subsidiaries. Even though the SPA has not completed till the date of this report, both the Purchaser and the Company have undertaken to continue to proceed with the SPA. Accordingly, the Company made full impairment provisions in 4Q2015 on (i) investment in the PRC subsidiaries (RMB1,280 million), (ii) amount due from PRC subsidiaries (RMB148 million), and (iii) available-for-sale investments (RMB9 million).

### Review of Financial Performance (FY2015 vs FY2014)

The Company, as an investment holding company did not generate any revenue for FY2015. The Group's revenue of RMB176.3 million in FY2014 was fully contributed by construction of bulk carriers of the PRC subsidiaries.

The Group incurred gross loss of RMB69.0 million in 4Q2014. The Group's gross loss of approximately RMB116.6 million was recorded for FY2014, after deducting costs of approximately RMB293 million for the same period incurred in the PRC subsidiaries.

The Company's other operating income of approximately RMB57,000 in FY2015 was derived mainly from the management service fees charged by the Company from the Company's Singapore subsidiary and other sundry income. Other operating income of the Group was RMB RMB16.9 million in FY2014 and was mainly attributed to interest income, reversal of liquidated and ascertained damages and gain on sales from disposal of scrap materials of the PRC subsidiaries. The comparison is not meaningful due to the deconsolidation of the PRC subsidiaries in FY2015.

The Company's administration expenses were recorded at RMB1,442 million in 4Q2015 and RMB1,448 million in FY2015 while the Group's administration expenses were RMB31.4 million in 4Q2014 and RMB59.5 million in FY2014. The Company's administration expenses in 4Q2015 was mainly due to full impairment provisions on (i) investment in PRC subsidiaries (RMB1,280 million), (ii) amount due from PRC subsidiaries (RMB148 million), and (iii) available-for-sale investments (RMB9 million). The Group's administration expenses in FY2014 was derived mainly from areas such as payroll, insurance incurred, legal and professional fee and payment to labour union incurred by the PRC subsidiaries. The comparison is not meaningful due to the deconsolidation of the PRC subsidiaries in FY2015.

The Company's other operating expenses were recorded at RMB718,000 in 4Q2015 and RMB718,000 in FY2015 while the Group's other operating expenses were RMB49.5 million in 4Q2014 and RMB61.2 million in FY2014. The Company's other operating expenses in FY2015 was derived from the unrealised foreign currency exchanges. The Group's other operating expenses in FY2014 was derived mainly from the provision of foreseeable losses and liquidated and ascertained damages to be incurred by the PRC subsidiaries. The comparison is not meaningful due to the deconsolidation of the PRC subsidiaries in FY2015.

The Company's finance costs were approximately at RMB28,000 in FY2015 while the Group's finance costs were RMB61 million FY2014. The comparison is not meaningful due to the deconsolidation of the PRC subsidiaries in FY2015.

### Review of Financial Position of the Company (31 December 2015 vs 31 December 2014)

The Company's non-current assets reduced sharply from RMB1306 million as at 31 December 2014 to RMB125,000 as at 31 December 2015 due to the full impairment provisions on the investment in the PRC subsidiaries and available-for-sale investments.



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The Company's current assets reduced sharply from RMB197 million as at 31 December 2014 to RMB55.6 million as at 31 December 2015 due to the full impairment provisions on the amount due from the PRC subsidiaries. As at 31 December 2015, the Company's cash and cash equivalents was recorded at RMB443,000.

As at 31 December 2015, the Company's current liabilities mainly comprised of due to the PRC subsidiaries. Slight increases on the bank borrowings of the Company was due to the unrealised foreign currency exchanges.

Capital reserve was due to the share borrowing from JES Overseas Investment Limited for prepayment of investment in SCIBOIS project amount of RMB52.0 million recorded as at 31 Dec 2014, which was finally terminated on 4 March 2015.

**Cash Flow**

Net cash used in operating activities of the Company was approximately RMB6 million for FY2015, compared with net cash used in operating activities by the Group of RMB178 million in FY2014. The comparison is not meaningful due to the deconsolidation of the PRC subsidiaries in FY2015.

Net cash generated from financing activities by the Company was about RMB 5.8 million for FY2015 arising mainly from advances from the Company's Hong Kong subsidiary, whilst net cash generated from financing activities by the Group was about RMB200 million for FY2014 from the proceeds from the bank borrowings secured by the PRC subsidiaries. The comparison is not meaningful due to the deconsolidation of the PRC subsidiaries in FY2015.

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

There is no variance from paragraph 10 of the previous announcement on unaudited results for the third quarter ended 30 September 2015.

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

The Company had on 12 February 2016 entered into a conditional sale and purchase agreement (the "SPA") with Hong Kong Victo International Limited (the "Purchaser"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the whole of the registered capitals of JEHI and JNEME and 49% of the registered capital of JNS. The Proposed Disposal would allow the Group to dispose of the loss-making or non-performing assets and business and may result in the Company ceasing to have any operating business and becoming a cash company. The Purchaser has by way of a letter of undertaking dated 1 August 2016, indicated that it intends to proceed with the SPA.

The Company is actively seeking out for new businesses to be injected into the Company and the Company will update Shareholders in due course if any definitive agreements in relation to the injection of new businesses are signed.

**11. If a decision regarding dividend has been made: -**

**(a) Whether an interim ordinary dividend has been declared; and**

No dividend has been declared or recommended.

**(b) Corresponding Period of the Immediately Preceding Financial Year– Any dividend declared for the corresponding period of the immediately preceding financial year?**

No dividend has been declared or recommended.

**(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 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 Registerable 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 dividend has been declared or recommended for the year ended 31 December 2015.



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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.

The aggregate value of interested person transactions for the quarter and half year ended 31 December 2015 and 31 December 2014 respectively are as follows:

<u>Name of interested person and nature of transactions</u>	<u>Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</u> (RMB'000)	<u>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</u> (RMB'000)
<b>Quarter Ended 31 December 2015</b>		
<u>With a related party (Jiangsu Eastern Shipyard Co, Ltd)</u>		
Advances received	-	None
Payment of expenses on behalf of related party	-	
<b>Quarter Ended 31 December 2014</b>		
<u>With a related party (Jiangsu Eastern Shipyard Co, Ltd)</u>		
Advances received	* -	None
Payment of expenses on behalf of related party	(721)	
<b>Full Year Ended 31 December 2015</b>		
<u>With a related party (Jiangsu Eastern Shipyard Co, Ltd)</u>		
Advances received	-	None
Payment of expenses on behalf of related party	-	
<b>Full Year Ended 31 December 2014</b>		
<u>With a related party (Jiangsu Eastern Shipyard Co, Ltd)</u>		
Advances received	* -	None
Payment of expenses on behalf of related party	(721)	

There is no general mandate obtained from the shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

\*The value of the amount at risk to the Company is NIL as the Advances provided by Jiangsu Eastern Shipyard Co, Ltd is interest free.



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENTS**

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial annual financial statements, with comparative information for the immediately preceding year.**

Not Applicable.

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

Not Applicable.

16. **A breakdown of sales as follows:-**

	<b>For the financial year ended 31 December 2015 (RMB'000) Company</b>	<b>For the financial year ended 31 December 2014 (RMB'000) Group</b>	<b>Increase/ (decrease) (%)</b>
(a) Sales reported for <b>first</b> half year	-	88,211	NM
(b) Operating profit/(loss) after tax before deducting minority interests reported for <b>first</b> half year	(3,625)	(11,929)	NM
(c) Sales reported for <b>second</b> half year	-	88,113	NM
(d) Operating loss after tax before deducting minority interests reported for <b>second</b> half year	(1,448,877)	(290,466)	NM

NM – Not meaningful.

The comparison is not meaningful as the announcement is prepared in company level for FY2015, instead of in group level as in FY2014.

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

- (a) Ordinary  
(b) Preference  
(c) Total

Not applicable.

18. **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 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family Relationship with any director and/or CEO and/or substantial shareholder</b>	<b>Current position and duties, and the year position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
N.A.				

By order of the Board

Jin Yu  
Chief Executive Officer  
30 September 2016