

**STS Gems Limited HKK****Balance Sheet as at 31st March, 2017***Amt in HKD*

	<u>Note</u>	<u>As at 31 March, 2017 HKD</u>	<u>As at 31 March, 2016 HKD</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	8,750,000	8,750,000
Reserves And Surplus	3	<u>32,230,970</u>	<u>28,398,534</u>
		<b>40,980,970</b>	<b>37,148,534</b>
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	4	<u>6,680,418</u>	<u>8,620,300</u>
		<b>6,680,418</b>	<b>8,620,300</b>
<b>Current Liabilities</b>			
Trade Payables	5	39,122,291	28,306,293
Short-Term Provisions	6	<u>1,192,692</u>	<u>1,328,846</u>
		<b>40,314,983</b>	<b>29,635,139</b>
<b>Total</b>		<u><b>87,976,372</b></u>	<u><b>75,403,973</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	7	<u>893,727</u>	<u>1,228,402</u>
		<b>893,727</b>	<b>1,228,402</b>
<b>Current Assets</b>			
Inventories	8	29,453,136	20,962,200
Trade Receivables	9	48,922,061	42,212,216
Cash and Bank Balances	10	7,456,007	8,255,497
Short-Term Loans and Advances	11	471,440	1,965,657
Other Current Assets (Inv in PT STS)	12	<u>780,000</u>	<u>780,000</u>
		<b>87,082,644</b>	<b>74,175,569</b>
<b>Total</b>		<u><b>87,976,372</b></u>	<u><b>75,403,973</b></u>
<b>Notes to Accounts referred to above form an integral part of financial statements</b>	<b>2 to 19</b>		

*For C.K.LIU & COMPANY**For and on behalf of the Board*LIU CHI KIN  
Certified Public Accountant  
(Hong Kong) No. P0835

Director

Place: Hong Kong  
Date: 24 April, 2017Place: Hong Kong  
Date: 24 April, 2017

# STS Gems Limited HKI

## Statement of Profit & Loss for the year quarter 31st Mar, 2017

*	<u>Note No.</u>	<u>Year ended 31 March, 2017</u> <i>HKD</i>	<u>Year ended 31 March, 2016</u> <i>HKD</i>
<b>REVENUE</b>			
Revenue From Operations	13	194,843,874	192,665,480
Other Income	14	1,653,125	2,936
<b>Total</b>		<b>196,496,999</b>	<b>192,668,416</b>
<b>EXPENSES</b>			
Purchases of Stock-In-Trade	15	154,580,799	148,684,353
Changes in Stock-In-Trade	16	(8,490,935)	3,763,122
Employee Benefits Expense	17	15,028,510	17,389,024
Finance Costs	18	4,030,060	2,060,505
Depreciation and Amortization Expense	7	462,459	438,256
Other Expenses	19	27,053,670	28,784,088
<b>Total</b>		<b>192,664,563</b>	<b>201,119,348</b>
<b>Profit Before Tax</b>		<b>3,832,437</b>	<b>(8,450,932)</b>
Tax Expense:			
(1) Current Tax		-	-
(2) Overprovision in prior year		-	(10,000)
(3) Deferred Tax Charges/(Credits)		-	-
		<b>-</b>	<b>(10,000)</b>
<b>Profit for the Year</b>		<b>3,832,437</b>	<b>(8,440,932)</b>

Notes to Accounts referred to above form an integral part of financial statements

2 to 19

*For C.K.LIU & COMPANY*

*For and on behalf of the Board*

LIU CHI KIN  
Certified Public Accountant  
(Hong Kong) No. P0835

Director

Place: Hong Kong  
Date: 24 April, 2017

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## STS Gems Limited HKK

### Notes Accompanying to the financial statement for the quarter ended Mar 31, 2017

Note No.

#### 2 Share Capital

a The details of Authorised, Issued, Subscribed and paid up capital are as under :-

Share Capital	As at 31 March, 2017		As at 31 March, 2016	
	Number	Amount	Number	Amount
<b>Issued, Subscribed and Paid up</b>				
..... Equity Shares of Rs. ..../- each		8,750,000		8,750,000
.....% Redeemable Preference Shares of Rs ...../- each		-		-
		<u>8,750,000</u>		<u>8,750,000</u>

#### 3 Reserves & Surplus

	As at 31 March, 2017		As at 31 March, 2016	
	HKD	HKD	HKD	HKD
<b>A. Securities Premium Account :</b>				
Opening Balance	7,875,000		7,875,000	
Add: Security premium credited on share issue	-		-	
	<u>7,875,000</u>		<u>7,875,000</u>	
Less: Premium utilised for various reasons	-		-	
		7,875,000		7,875,000
<b>B. General Reserve:</b>				
Opening Balance	20,448,534		28,889,465	
Add: Transferred from Profit and Loss Account	<u>3,832,437</u>		<u>(8,440,931)</u>	
	24,280,970		20,448,534	
Less: Withdrawn during the year	-	24,280,970	-	20,448,534
<b>C. Foreign Currency Translation Reserve</b>				
Opening Balance	75,000		75,000	
Add : Current year transfer	-		-	
	<u>75,000</u>		<u>75,000</u>	
Less : Written back during year	-		-	
		75,000		75,000
		<u>32,230,970</u>		<u>28,398,534</u>

#### NON CURRENT LIABILITIES

#### 4 Long Term Borrowings

The details of Secured or Unsecured Long Term Borrowings outstanding as at March 31st, 2017 are as under :-

From Related parties	As at 31 March, 2017		As at 31 March, 2016	
	HKD	HKD	HKD	HKD
	6,680,418		8,620,300	
	<u>6,680,418</u>		<u>8,620,300</u>	

#### 5 Trade Payables

Trade Payables	As at 31 March, 2017		As at 31 March, 2016	
	HKD	HKD	HKD	HKD
	39,122,291		28,306,293	
	<u>39,122,291</u>		<u>28,306,293</u>	

#### 6 Short Term Provisions

Provision for employee benefits:	As at 31 March, 2017		As at 31 March, 2016	
	HKD	HKD	HKD	HKD
Provision and Accruals	1,192,692		1,328,846	
	<u>1,192,692</u>		<u>1,328,846</u>	

## NON CURRENT ASSETS

Note 7 Fixed Assets

Amount in HKD

	NAME OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
		As at 01.04.2016	Addition	As at 31.03.2017	Up to 01.04.2016	For the Year	Up to 31.03.2017	As at 31.03.2017	As at 31.3.2016
A.	<b>Tangible Assets</b>								
	Decoration - Additions	250,728	82,305	333,033	233,590	26,740	260,330	72,703	17,138
	Decoration - Additions - China	39,060	-	39,060	39,060	-	39,060	-	-
	Decoration - Additions (China)	759,979	-	759,979	759,979	-	759,979	-	-
	Furniture, Fixture & Equipments	352,996	17,148	370,144	272,524	24,691	297,215	72,929	80,472
	Furniture, Fixture & Equipments - China	875,073	10,704	885,776	257,996	32,461	290,457	595,319	617,077
	Furniture, Fixture & Equipments (China)	1,542,440	17,627	1,560,067	1,050,726	373,421	1,424,147	135,920	491,713
	Furniture, Fixture & Equipments -(GZ RO)	29,382	-	29,382	7,381	5,145	12,526	16,856	22,001
	<b>Total</b>	<b>3,849,657</b>	<b>127,783</b>	<b>3,977,440</b>	<b>2,621,255</b>	<b>462,459</b>	<b>3,083,714</b>	<b>893,727</b>	<b>1,228,402</b>

## STS Gems Limited HKK

### Notes Accompanying to the financial statement for the quarter ended Mar 31, 2017

Note No.

#### CURRENT ASSETS

8	<b>INVENTORIES</b> <i>(Cost &amp; Net realizable value whichever is lower)</i> <i>(As taken, valued and certified by the Management)</i>	As at <b>31 March, 2017</b>		As at <b>31 March, 2016</b>	
		<i>HKD</i>		<i>HKD</i>	
	Total inventory	29,714,082		-	
	Provision	(260,946)		-	
		<b>29,453,136</b>		<b>20,962,200</b>	
9	<b>TRADE RECEIVABLES</b> <i>(Unsecured and considered good unless otherwise stated)</i>	As at <b>31 March, 2017</b>		As at <b>31 March, 2016</b>	
		<i>HKD</i>		<i>HKD</i>	
	Outstanding for a period exceeding Six Months from the date they are due for payments				
	3rd Party	4,579,571		2,554,990	
	Advances to vendors	2,142,411		2,531,179	
	Inter Company	42,200,079		37,126,047	
		48,922,061		42,212,216	
	Less : Provison appropriated to Investment	-		-	
		48,922,061		42,212,216	
		<b>48,922,061</b>		<b>42,212,216</b>	
10	<b>CASH AND BANK BALANCES</b>	As at <b>31 March, 2017</b>		As at <b>31 March, 2016</b>	
		<i>HKD</i>		<i>HKD</i>	
	<b>Cash &amp; Cash Equivalents</b>				
	Bank Deposits (Non pledged)	7,004,055		7,104,862	
	Cash on hand	451,952		1,150,634	
		<b>7,456,007</b>		<b>8,255,497</b>	
11	<b>SHORT TERM LOANS AND ADVANCES</b> <i>(Unsecured and considered good unless otherwise stated)</i>	As at <b>31 March, 2017</b>		As at <b>31 March, 2016</b>	
		<i>HKD</i>		<i>HKD</i>	
	Provision for Taxation	-		1,472,311	
	Prepaid Expenses	130,898		200,263	
	Rent Deposit	89,600		36,000	
	Rent Deposit (China)	161,351		168,391	
	Utility Deposits	6,600		5,700	
	Utility Deposits (China)	82,991		82,991	
		<b>471,440</b>		<b>1,965,657</b>	
12	<b>OTHER CURRENT ASSETS</b>	As at <b>31 March, 2017</b>		As at <b>31 March, 2016</b>	
		<i>HKD</i>		<i>HKD</i>	
	Inv - PT STS Bali	780,000		780,000	
		<b>780,000</b>		<b>780,000</b>	

13	<b>REVENUE FROM OPERATIONS</b>	<b>Year ended 30th June, 2012</b>		<b>Year ended 31 March, 2016</b>	
	Sale of Products:	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
	Export Sales	194,843,874		192,665,480	
	Domestic Sales	-	194,843,874	-	192,665,480
			<u>194,843,874</u>		<u>192,665,480</u>
14	<b>OTHER INCOME</b>	<b>Year ended 31 March, 2017</b>		<b>Year ended 31 March, 2016</b>	
	Interest		<i>HKD</i> 523		<i>HKD</i> 571
	Handling Charges		(54,966)		(1,000)
	Misc. Income		143		3,229
	Exchange Gain & Losses		1,707,425		(353)
			<u>1,653,125</u>		<u>2,936</u>
15	<b>PURCHASES OF STOCK-IN-TRADE</b>	<b>Year ended 31 March, 2017</b>		<b>Year ended 31 March, 2016</b>	
	Purchases of Finished Goods		<i>HKD</i> 154,580,799		<i>HKD</i> 148,684,353
			<u>154,580,799</u>		<u>148,684,353</u>
16	<b>CHANGES IN STOCK-IN-TRADE</b>	<b>Year ended 31 March, 2017</b>		<b>Year ended 31 March, 2016</b>	
	Decrease/(Increase) of Stock-in-Trade consists of	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
	<b>Finished Goods:</b>				
	<i>Opening Stocks</i>				
	Finished Goods	<u>20,962,200</u>		<u>24,725,323</u>	
		<u>20,962,200</u>		<u>24,725,323</u>	
	<i>Less: Closing Stocks</i>				
	Finished Goods	<u>29,453,136</u>		<u>20,962,200</u>	
		<u>29,453,136</u>	<u>(8,490,935)</u>	<u>20,962,200</u>	<u>3,763,122</u>
			<u>(8,490,935)</u>		<u>3,763,122</u>
17	<b>EMPLOYEES BENEFIT EXPENSE</b>	<b>Year ended 31 March, 2017</b>		<b>Year ended 31 March, 2016</b>	
	Salaries, Wages, Bonus etc.		<i>HKD</i> 14,077,436		<i>HKD</i> 16,329,563
	Contributions to Provident and Other Funds		126,229		174,812
	Staff Welfare Expenses		824,845		884,649
			<u>15,028,510</u>		<u>17,389,024</u>
18	<b>FINANCE COST</b>	<b>Year ended 31 March, 2017</b>		<b>Year ended 31 March, 2016</b>	
	Interest	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>	<i>HKD</i>
	- On Term Loans	403,278		-	
	- On Working Capital Facilities	-	403,278	-	-
	Finance Charges		368,411		405,092
	Exchange difference		3,258,371		1,655,413
			<u>4,030,060</u>		<u>2,060,505</u>

## 19 OTHER EXPENSES

## a. MANUFACTURING EXPENSES

	Year ended 31 March, 2017	Year ended 31 March, 2016
	<i>HKD</i>	<i>HKD</i>
Design Charges - China	-	15,045
Labour Union Fee (China)	100,587	43,056
Labour Charges (Jewelry)	7,177,499	7,162,860
Labour Charges (Stones)	336,791	25,706
Moulding Charge - Rubber Mould	118,315	194,388
Moulding Charge - Silver Mould	612,850	319,085
Declaration Fee - Export (China)	72,402	93,576
Declaration Fee - Import (China)	23,046	40,244
Donation-(China)	-	4,910
Electricity - HK	10,645	22,515
Electricity (China)	197,148	237,274
	<u>8,649,283</u>	<u>8,158,659</u>

## b. ADMINISTRATIVE &amp; SELLING EXPENSES

	Year ended 31 March, 2017	Year ended 31 March, 2016
	<i>HKD</i>	<i>HKD</i>
Rent, Rates and Taxes	1,455,886	1,771,871
Freight & Insurance Inward - China	655,411	474,402
Insurance	1,613,445	1,631,474
Travelling and Conveyance	1,432,966	1,732,742
Legal and Professional	1,105,548	2,064,338
Postage and Telephone and Utility	609,487	730,064
Printing and Stationery	69,855	76,535
Repair & Maintenance	193,441	222,744
Advertisement and Business Promotion	807,097	735,994
Packing and Forwarding	9,859,113	10,829,549
Misc. Expenses	153,456	233,193
Bad Debts	218,301	-
<b>Auditors' Remuneration</b>	111,000	92,000
Information Technology Expenses	119,381	30,524
	<u>18,404,388</u>	<u>20,625,429</u>
<b>Total Other Expenses</b>	<u>27,053,670</u>	<u>28,784,088</u>

Notes to Accounts referred to above form an  
integral part of financial statements

2 to 19

For C.K.LIU & COMPANY

For and on behalf of the Board

LIU CHI KIN  
Certified Public Accountant  
(Hong Kong) No. P0835

Director

Place: Hong Kong  
Date: 24 April, 2017

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