

STS Gems Limited

Balance Sheet as at 31st Mar, 2018

(amounts in HONG KONG Dollars)

	<u>Note</u>	<u>As at 31st Mar, 2018</u>	<u>As at 31st March, 2017</u>
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	8,750,000	8,750,000
Reserves And Surplus	3	40,059,542	32,230,970
		<u>48,809,542</u>	<u>40,980,970</u>
Non-Current Liabilities			
Long Term Borrowings	4	32,213,089	6,680,418
		<u>32,213,089</u>	<u>6,680,418</u>
Current Liabilities			
Trade Payables	5	46,048,499	39,122,291
Short-Term Provisions	6	1,779,338	1,192,692
		<u>47,827,837</u>	<u>40,314,983</u>
Total		<u><u>128,850,467</u></u>	<u><u>87,976,372</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets	Should be this		
Tangible Assets	7	658,109	893,727
		<u>658,109</u>	<u>893,727</u>
Current Assets			
Inventories	8	37,955,298	29,453,136
Trade Receivables	9	56,526,353	46,779,651
Cash and Bank Balances	10	21,026,302	7,456,007
Short-Term Loans and Advances	11	11,904,405	2,613,851
Other Current Assets (Inv in PT STS)	12	780,000	780,000
		<u>128,192,358</u>	<u>87,082,644</u>
Total		<u><u>128,850,467</u></u>	<u><u>87,976,372</u></u>
Significant Accounting Policies & Notes to Accounts referred to above form an integral part of financial statements	<u>1 to 40</u>		

For C. K. LIU & Company
Certified Public Accountants

For and on behalf of the Board

LIU Chin Kin
Partner
Place: Hong Kong
Date: 8 May 2018

Director
Place: Hong Kong
Date: 8 May 2018

STS Gems Limited**Statement of Profit & Loss for the year quarter 31st Mar, 2018***(amounts in HONG KONG Dollars)*

	<u>Note No.</u>	<u>Year ended 31st Mar, 2018</u>	<u>Year ended 31st March, 2017</u>
REVENUE			
Revenue From Operations	13	248,350,495	194,843,874
Other Income	14	1,715,741	1,653,125
Total		<u>250,066,236</u>	<u>196,496,999</u>
EXPENSES			
Purchases of Stock-In-Trade	15	194,336,642	154,580,799
Changes in Stock-In-Trade	16	(8,502,162)	(8,490,935)
Employee Benefits Expense	17	15,974,903	15,028,510
Finance Costs	18	2,400,368	4,030,060
Depreciation and Amortization Expense	7	448,993	462,459
Other Expenses	19	35,846,960	27,053,670
Total		<u>240,505,705</u>	<u>192,664,563</u>
Profit Before Exceptional Items and Tax		9,560,531	3,832,437
Exceptional Items		-	-
Profit Before Tax		<u>9,560,531</u>	<u>3,832,437</u>
Tax Expense:			
Current Tax		1,731,960	-
		<u>1,731,960</u>	<u>-</u>
Profit for the Year		<u><u>7,828,571</u></u>	<u><u>3,832,437</u></u>

For C. K. LIU & Company
Certified Public Accountants

For and on behalf of the Board

LIU Chin Kin
Partner
Place: Hong Kong
Date: 8 May 2018

Director
Place: Hong Kong
Date: 8 May 2018

STS Gems Limited

Notes Accompanying to the financial statement for the quarter ended Mar 31, 2018

(amounts in HONG KONG Dollars)

Note No.

2 **Share Capital**

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

Share Capital	As at 31st Mar, 2018		As at 31st March, 2017	
	Number	Amount	Number	Amount
Issued, Subscribed and Paid up				
87,500 Equity Shares of HKD 100 each		8,750,000		8,750,000
		8,750,000		8,750,000

3 **Reserves & Surplus**

	As at 31st Mar, 2018		As at 31st March, 2017	
A. Securities Premium Account :				
Opening Balance	7,875,000		7,875,000	
Add: Security premium credited on share issue	-		-	
	7,875,000	7,875,000	7,875,000	7,875,000
B. Surplus/ (Deficit)				
Opening Balance	24,280,970		20,448,534	
Add: Transferred from Profit and Loss Account	7,828,571		3,832,437	
	32,109,542	32,109,542	24,280,970	24,280,970
C. Foreign Currency Translation Reserve				
Opening Balance	75,000		75,000	
Add : Current year transfer	-		-	
	75,000	75,000	75,000	75,000
		40,059,542		32,230,970

NON CURRENT LIABILITIES

4 **Long Term Borrowings**

a The details of Secured or Unsecured Long Term Borrowings outstanding as at June 30th, 2012 are as under :-

Unsecured: Deposits (Inter corporate deposit) From Related parties	As at 31st Mar, 2018		As at 31st March, 2017	
		32,213,089		6,680,418
		32,213,089		6,680,418

5 **Trade Payables**

	As at 31st Mar, 2018		As at 31st March, 2017	
Trade Payables		46,048,499		39,122,291
		46,048,499		39,122,291

6 **Short Term Provisions**

	As at 31st Mar, 2018		As at 31st March, 2017	
Provision and Accruals		1,779,338		1,192,692
		1,779,338		1,192,692

STS Gems Limited
NON CURRENT ASSETS
Note 7 Fixed Assets

Amount in HKD

	NAME OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
		As at 01.04.2017	Addition	As at 31.03.2018	Up to 01.04.2017	For the Year	Up to 31.03.2018	As at 31.03.2018	As at 31.3.2017
A.	Tangible Assets								
	Decoration - Additions	333,033	-	333,033	260,330	16,461	276,791	56,242	72,703
	Decoration - Additions - China	39,060	-	39,060	39,060	-	39,060	-	-
	Decoration - Additions (China)	759,979	-	759,979	759,979	62,059	822,038	-62,059	-
	Furniture, Fixture & Equipments	370,144	-	370,144	297,215	22,064	319,279	50,865	72,929
	Furniture, Fixture & Equipments - China	885,776	33,284	919,060	290,457	29,146	319,603	599,457	595,319
	Furniture, Fixture & Equipments (China)	1,560,067	172,765	1,732,831	1,424,147	312,005	1,736,153	-3,321	135,920
	Furniture, Fixture & Equipments -(GZ RO)	29,382	7,327	36,709	12,526	7,258	19,783	16,926	16,856
	Total	3,977,440	213,375	4,190,816	3,083,714	448,993	3,532,707	658,109	893,727

STS Gems Limited

Notes Accompanying to the financial statement for the quarter ended Mar 31, 2018

(amounts in HONG KONG Dollars)

CURRENT ASSETS			
8	INVENTORIES	As at	As at
	(Cost & Net realizable value whichever is lower)	31st Mar, 2018	31st March, 2017
	Total inventory	37,955,298	29,453,136
	Net Inventory	37,955,298	29,453,136
9	TRADE RECEIVABLES	As at	As at
	(Unsecured and considered good unless otherwise stated)	31st Mar, 2018	31st March, 2017
	Trade receivables	11,678,633	4,579,571
	Trade receivables- affiliates	44,847,719	42,200,079
		56,526,353	46,779,651
		56,526,353	46,779,651
10	CASH AND BANK BALANCES	As at	As at
		31st Mar, 2018	31st March, 2017
	Cash & Cash Equivalents		
	Bank Deposits (Non pledged)	20,042,270	7,004,055
	Cash on hand	984,032	451,952
		21,026,302	7,456,007
		21,026,302	7,456,007
11	SHORT TERM LOANS AND ADVANCES	As at	As at
	(Unsecured and considered good unless otherwise stated)	31st Mar, 2018	31st March, 2017
	Prepaid Expenses	213,818	130,898
	Rent Deposit	89,600	89,600
	Rent Deposit (China)	174,894	161,351
	Advances to vendors	11,339,433	2,142,411
	Security Deposits	5,000	0
	Utility Deposits	6,600	6,600
	Utility Deposits (China)	75,060	82,991
		11,904,405	2,613,851
12	OTHER CURRENT ASSETS	As at	As at
		31st Mar, 2018	31st March, 2017
	Inv - PT STS Bali	780,000	780,000
		780,000	780,000

STS Gems Limited

Notes Accompanying to the financial statement for the quarter ended Mar 31, 2018

(amounts in HONG KONG Dollars)

13	REVENUE FROM OPERATIONS	Year ended 31st Mar, 2018	Year ended 31st March, 2017
	Sale of Products:		
	Export Sales	248,350,495	194,843,874
	Domestic Sales	-	-
		<u>248,350,495</u>	<u>194,843,874</u>
14	OTHER INCOME	Year ended 31st Mar, 2018	Year ended 31st March, 2017
	Interest	322	523
	Handling Charges	(3,000)	(54,966)
	Misc. Income	-	143
	Discount	2,808	-
	Exchange Gain (Net)	1,715,611	1,707,425
		<u>1,715,741</u>	<u>1,653,125</u>
15	PURCHASES OF STOCK-IN-TRADE	Year ended 31st Mar, 2018	Year ended 31st March, 2017
	Purchases of Finished Goods	194,336,642	154,580,799
		<u>194,336,642</u>	<u>154,580,799</u>
16	CHANGES IN STOCK-IN-TRADE	Year ended 31st Mar, 2018	Year ended 31st March, 2017
	Decrease/(Increase) of Stock-in-Trade consists of		
	Finished Goods:		
	Opening Stocks		
	Finished Goods	29,453,136	20,962,200
		<u>29,453,136</u>	<u>20,962,200</u>
	<i>Less: Closing Stocks</i>		
	Finished Goods	37,955,298	29,453,136
		<u>37,955,298</u>	<u>29,453,136</u>
		<u>(8,502,162)</u>	<u>(8,490,935)</u>
		<u>(8,502,162)</u>	<u>(8,490,935)</u>
17	EMPLOYEES BENEFIT EXPENSE	Year ended 31st Mar, 2018	Year ended 31st March, 2017
	Salaries, Wages and Bonus	15,049,932	14,077,436
	Contributions to Provident and Other Funds	133,992	126,229
	Staff Welfare Expenses	790,978	824,845
		<u>15,974,903</u>	<u>15,028,510</u>
18	FINANCE COST	Year ended 31st Mar, 2018	Year ended 31st March, 2017
	Interest		
	- On Term Loans	1,126,073	403,278
	- On Working Capital Facilities	-	-
	Finance Charges	420,207	368,411
	Exchange difference	854,089	3,258,371
		<u>2,400,368</u>	<u>4,030,060</u>

STS Gems Limited**Notes Accompanying to the financial statement for the quarter ended Mar 31, 2018****(amounts in HONG KONG Dollars)**

19 OTHER EXPENSES

a. MANUFACTURING EXPENSES

	Year ended 31st Mar, 2018	Year ended 31st March, 2017
Design Charges - China	359	-
Labour Charges	9,200,656	7,614,876
Moulding Charge - Rubber Mould	326,864	118,315
Moulding Charge - Silver Mould	660,957	612,850
Declaration Fee - Export (China)	108,807	72,402
Declaration Fee - Import (China)	20,506	23,046
Electricity	220,571	207,794
	<u>10,538,719</u>	<u>8,649,283</u>

b. ADMINISTRATIVE & SELLING EXPENSES

	Year ended 31st Mar, 2018	Year ended 31st March, 2017
Rent, Rates and Taxes	1,614,648	1,455,886
Freight & Insurance Inward - Insurance	848,630	655,411
Travelling and Conveyance	1,528,660	1,613,445
Legal and Professional	2,030,347	1,432,966
Postage and Telephone and Utility	1,223,450	1,105,548
Printing and Stationery	566,134	609,487
Repair & Maintenance	85,872	69,855
Advertisement and Business Promotion	319,598	193,441
Packing and Forwarding	1,505,444	807,097
Miscellaneous Expenses	14,666,118	9,859,113
Bad Debts	151,880	153,456
Auditors' Remuneration	-	218,301
Information Technology Expenses	113,000	111,000
	654,460	119,381
	<u>25,308,241</u>	<u>18,404,388</u>
Total Other Expenses	<u><u>35,846,960</u></u>	<u><u>27,053,670</u></u>