

# STS Gems Limited HKK

## Balance Sheet as at 31st Mar, 2016

Amt in HKD

	Note	As at 31st Mar, 2016 Amt in HKD	As at 31st March, 2015 Amt in HKD
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	8,750,000	8,750,000
Reserves And Surplus	3	28,398,534	36,839,465
Money received against share warrants		-	-
		<b>37,148,534</b>	<b>45,589,465</b>
<b>Share application money pending allotment</b>		-	-
<b>Non-Current Liabilities</b>			
Long Term Liabilities	4	8,626,500	17,298,624
		<b>8,626,500</b>	<b>17,298,624</b>
<b>Current Liabilities</b>			
Trade Payables	5	28,306,293	32,010,246
Other Current Liabilities	6	1,328,844	1,298,921
Short-Term Provisions	7	-	285,388
		<b>29,635,137</b>	<b>33,594,554</b>
<b>Total</b>		<b>75,410,171</b>	<b>96,482,644</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets		1,228,402	1,237,046
Capital Work-In-Progress		-	-
Non Current Investment	8	780,000	-
Long-Term Loans and Advances	9	1,590,757	1,013,311
		<b>3,599,159</b>	<b>2,250,357</b>
<b>Current Assets</b>			
Current Investments		-	-
Inventories	10	20,962,200	24,725,323
Trade Receivables	11	38,383,362	62,545,184
Cash and Bank Balances	12	8,255,497	4,260,005
Short-Term Loans and Advances	13	4,209,953	2,701,775
		<b>71,811,012</b>	<b>94,232,287</b>
<b>Total</b>		<b>75,410,171</b>	<b>96,482,644</b>

Notes to Accounts referred to above form an integral part of financial statements 2 to 20

For C.K.LIU & COMPANY

For and on behalf of the Board

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

Director

Date: 09th May, 2016

Place: Hong Kong  
Date: 09th May, 2016

**STS Gems Limited HKK****Statement of Profit & Loss for the year quarter 31st March, 2016***Amt in HKD*

	<u>Note No.</u>	<u>Year ended 31st Mar, 2016 Amt in HKD</u>	<u>Year ended 31st March, 2015 Amt in HKD</u>
<b>REVENUE</b>			
Revenue From Operations	14	192,665,480	242,459,810
Other Income	15	(1,652,477)	(1,555,009)
<b>Total</b>		<b>191,013,003</b>	<b>240,904,801</b>
<b>EXPENSES</b>			
Purchases of Stock-In-Trade	16	148,684,353	184,867,081
Changes in Stock-In-Trade	17	3,763,122	(1,935,195)
Employee Benefits Expense	18	17,389,024	16,981,742
Finance Costs	19	405,092	689,141
Depreciation and Amortization Expense		438,256	367,416
Other Expenses	20	28,784,088	31,497,170
<b>Total</b>		<b>199,463,935</b>	<b>232,467,354</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>(8,450,932)</b>	<b>8,437,447</b>
Exceptional Items (refer Note No. 33)		-	-
<b>Profit Before Tax</b>		<b>(8,450,932)</b>	<b>8,437,447</b>
Tax Expense:			
(1) Current Tax		(10,000)	1,462,311
(2) Deferred Tax Charges/(Credits)		-	-
		<b>(10,000)</b>	<b>1,462,311</b>
<b>Profit for the Year</b>		<b>(8,440,932)</b>	<b>6,975,136</b>

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

2 to 20

For **C.K.LIU & COMPANY**

For and on behalf of the Board

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

Director

Date: 09th May, 2016

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# STS Gems Limited HKK

## Notes Accompanying to the financial statement for the quarter ended March 31, 2016

Amt in HKD

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, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
<b>Authorised</b>				
87,500 Equity Shares of 100 HKD each		8,750,000		8,750,000
<b>Issued, Subscribed and Paid up</b>				
87,500 Equity Shares of 100 HKD each		8,750,000		8,750,000
		-		-
		<u>8,750,000</u>		<u>8,750,000</u>

### 3 Reserves & Surplus

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in 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. 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
<b>C. Surplus/ (Deficit)</b>				
Opening balance	28,889,465		21,914,329	
Add: During the year	<u>(8,440,931)</u>		<u>6,975,136</u>	
Net Profit for the current year	20,448,534		28,889,465	
Surplus/ (Deficit)		20,448,534		28,889,465
		<u>28,398,534</u>		<u>36,839,465</u>

### NON CURRENT LIABILITIES

### 4 Long Term Borrowings

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD		Amt in HKD	
<b>Unsecured:</b>				
<b>From Related parties</b>				
		8,626,500		17,298,624
		<u>8,626,500</u>		<u>17,298,624</u>

### 5 Trade Payables

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD		Amt in HKD	
Trade Payables		28,306,293		32,010,246
		<u>28,306,293</u>		<u>32,010,246</u>

6 **Other Current Liabilities**

a. Other Current Liabilities consists of following :-

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Statutory Dues( including PF,TDS etc.)		23,166		581
Other Liabilities		1,305,678		1,194,311
Interest Payable-Intergroup		-		104,029
		<u>1,328,844</u>		<u>1,298,921</u>

7 **Short Term Provisions**

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Provision for Tax		-		285,388
		<u>-</u>		<u>285,388</u>

8 **NON CURRENT INVESTMENTS**

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD		Amt in HKD	
PT STS Bali		780,000		-
		<u>780,000</u>		<u>-</u>

9 **LONG TERM LOANS AND ADVANCES**

(Unsecured and considered good unless otherwise stated)

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD		Amt in HKD	
Loans & Advances to subsidiaries				
Considered good	1,297,675		751,516	
Considered doubtful	-		-	
	<u>1,297,675</u>		<u>751,516</u>	
Less: Provision for Doubtful Debts	-	1,297,675	-	751,516
Security Deposits		293,083		261,794
		<u>1,590,757</u>		<u>1,013,311</u>

**CURRENT ASSETS**

10 **INVENTORIES**

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD		Amt in HKD	
Jewelry		-		-
Stones		-		-
WIP		-		-
Gold		20,962,200		24,725,323
		<u>20,962,200</u>		<u>24,725,323</u>

11 **TRADE RECEIVABLES**

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
3rd Party	2,554,990		7,594,122	
Inter Company	<u>35,828,372</u>		<u>54,951,062</u>	
		38,383,362		62,545,184
Less : Provision for Doubtful Debts brought forward			-	
Less : Provison appropriated to Investment			-	
		<u>38,383,362</u>		<u>62,545,184</u>

## 12 CASH AND BANK BALANCES

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
<b>Cash &amp; Cash Equivalents</b>				
Balance with Banks		7,104,862		3,812,027
Cash on hand		1,150,634		447,978
		<u>8,255,497</u>		<u>4,260,005</u>
<b>Other Bank Balance</b>				
Bank Deposits (Pledged)		-		-
		<u>8,255,497</u>		<u>4,260,005</u>

13 SHORT TERM LOANS AND ADVANCES  
(Unsecured and considered good unless otherwise stated)

	As at 31st Mar, 2016		As at 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Advance to Staff		-		-
Prepaid Expenses		200,263		103,553
Advance to Suppliers		2,537,379		2,548,222
STS Holdings Ltd. (Loan A/c)		-		50,000
Balance with Tax Authorities		1,472,311		-
		<u>4,209,953</u>		<u>2,701,775</u>

## 14 REVENUE FROM OPERATIONS

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Sale of Products:				
Export Sales		192,665,480		242,459,810
Domestic Sales		-		-
Other Operating revenue		-		-
		<u>192,665,480</u>		<u>242,459,810</u>

## 15 OTHER INCOME

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Interest		571		41,975
Misc. Income		2,366		780,506
Exchange Gain & Losses		(1,655,413)		(2,377,490)
		<u>(1,652,477)</u>		<u>(1,555,009)</u>

## 16 PURCHASES OF STOCK-IN-TRADE

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
Purchases of Finished Goods		148,684,353		184,867,081
		<u>148,684,353</u>		<u>184,867,081</u>

17 CHANGES IN STOCK-IN-TRADE  
Decrease/(Increase) of Stock-in-Trade consists of

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	Amt in HKD	Amt in HKD	Amt in HKD	Amt in HKD
<b>Finished Goods:</b>				
Opening Stocks		-		-
Semi Finished Goods		-		-
Finished Goods	3,169,913	24,725,323		22,790,128
		<u>24,725,323</u>		<u>22,790,128</u>
<b>Less: Closing Stocks</b>				
Semi Finished Goods		-		-
Finished Goods	2,687,462	20,962,200		24,725,323
		<u>20,962,200</u>		<u>24,725,323</u>
		<u>3,763,122</u>		<u>(1,935,195)</u>

## 18 EMPLOYEES BENEFIT EXPENSE

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	Amt in HKD	Amt in HKD
Salaries, Wages, Bonus etc.	16,329,563	15,848,906
Contributions to Provident and Other Funds	174,812	151,399
Staff Welfare Expenses	884,649	981,437
	<u>17,389,024</u>	<u>16,981,742</u>

## 19 FINANCE COST

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	Amt in HKD	Amt in HKD
Interest		
- On Corporate loan	-	245,989
- On Working Capital Facilities	-	-
Finance Charges	405,092	443,152
	<u>405,092</u>	<u>689,141</u>

## 20 OTHER EXPENSES

## a. MANUFACTURING EXPENSES

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	Amt in HKD	Amt in HKD
Design Charges - China	15,045	59,493
Labour Union Fee (China)	43,056	156,452
Labour Charges (China)	-	241,800
Labour Charges (Jewelry)	7,162,860	6,904,232
Labour Charges (Stones)	25,706	39,869
Moulding Charge - Rubber Mould	194,388	144,164
Moulding Charge - Silver Mould	319,085	506,043
Declaration Fee - Export	-	(15)
Declaration Fee - Export (China)	93,576	108,078
Declaration Fee - Import	-	-
Declaration Fee - Import (China)	40,244	38,252
Donation-(China)	4,910	8,295
Electricity - HK	22,515	23,729
Electricity (China)	237,274	212,644
Freight, Taxes and Duties	474,402	920,871
	<u>8,633,062</u>	<u>9,363,906</u>

## b. ADMINISTRATIVE &amp; SELLING EXPENSES

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	Amt in HKD	Amt in HKD
Rent, Rates and Taxes	1,771,871	1,508,159
Insurance	1,631,474	1,738,800
Travelling and Conveyance	1,732,742	1,534,800
Legal and Professional	2,064,338	1,411,784
Postage and Telephone and Utility	730,064	626,852
Printing and Stationery	76,535	69,217
Repair & Maintenance	222,744	169,602
Advertisement and Business Promotion	735,994	907,329
Packing and Forwarding	10,829,549	13,550,446
Misc. Expenses	233,193	97,776
Auditors' Remuneration	92,000	57,000
Information Technology Expenses	30,524	461,499
	<u>20,151,027</u>	<u>22,133,263</u>
<b>Total Other Expenses</b>	<u>28,784,088</u>	<u>31,497,170</u>

For C.K.LIU &amp; COMPANY

For and on behalf of the Board

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

Date: 09th May, 2016

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