

# JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda on 4 October 2006 with limited liability)  
(Bermuda Company Registration Number 38991)

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## MATERIAL DIFFERENCES BETWEEN UNAUDITED AND PUBLISHED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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*Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 27 February 2018 in relation to its unaudited financial results for the financial year ended 31 December 2017*

The Board of Directors of Joyas International Holdings Limited (the "**Company**") and together with its subsidiaries (the "**Group**") refers to the announcement released by the Company on 27 February 2018 in relation to its unaudited financial result for the financial year ended 31 December 2017 ("**FY2017**") (the "**Unaudited Financial Statements**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, the Board would like to announce that subsequent to the release of the Unaudited Financial Results, certain adjustments and reclassifications were made to the Unaudited Financial Statements following the finalisation of the audit by the Company's external auditor.

The material variances between the Unaudited Financial Statements and Published Financial Statements arose mainly due to the re-presentation of certain balance sheet items and the variance due to difference in fair value gain/loss of the convertible bond and warrants as a result of valuation performed by independent professional valuer firm.

The details of the material adjustments and differences are set out below.

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2017

|  | Published<br>Financial<br>Statements<br>HK\$'000 | Unaudited<br>Financial<br>Statements<br>HK\$'000 | Difference<br>HK\$'000 | %         | Note |
|--|--|--|------------------------|-----------|------|
| Revenue  | 1,981  | 1,981  | -                      | 0%        |      |
| Cost of sales  | -  | -  | -                      |           |      |
| Gross profit   | 1,981  | 1,981  | -                      | 0%        |      |
| Other income   | 1,384  | 1,470  | (86)                   | -6%       | PL1  |
| Selling and distribution expenses                                    | -  | -  | -                      |           |      |
| Administrative expenses  | (8,439)  | (8,431)  | (8)                    | 0%        | PL2  |
| Other operating expenses   | (222)  | (125)  | (97)                   | 78%       | PL1  |
| Finance costs  | (1,741)  | (1,741)  | -                      | 0%        |      |
| Loss before income tax   | (7,037)  | (6,846)  | (191)                  | 3%        |      |
| Taxation   | (157)  | (164)  | 7                      | -4%       | PL2  |
| <b>Loss for the year</b>   | <b>(7,194)</b>                                   | <b>(7,010)</b>                                   | <b>(184)</b>           | <b>3%</b> |      |
| <b>Other comprehensive income after tax:</b>                         |  |  |                        |           |      |
| <b>Item that may be reclassified subsequently to profit or loss:</b> |  |  |                        |           |      |
| Foreign currency translation differences                             | (33)   | (33)   | -                      | 0%        |      |
| <b>Other comprehensive loss for the year, net of tax of nil</b>      | <b>(33)</b>                                      | <b>(33)</b>                                      |                        |           |      |
| <b>Total comprehensive loss for the year</b>                         | <b>(7,227)</b>                                   | <b>(7,043)</b>                                   |                        |           |      |
| Total comprehensive income attributable to :                         |  |  |                        |           |      |
| Owners of the company  | (6,594)  | (6,444)  | (150)                  | 2%        | PL1  |
| Non-controlling interests  | (633)  | (599)  | (34)                   | 6%        | PL1  |
|  | <b>(7,227)</b>                                   | <b>(7,043)</b>                                   | <b>(184)</b>           | <b>3%</b> |      |

Explanatory Notes

- PL1 Variance due to difference in fair value gain/loss of the convertible bond and warrants as a result of valuation performed by independent professional valuer firm.
- PL2 Reclassification of Value Added Tax and Withholding Tax from Income Tax to administrative expenses.

## Consolidated Statement of Financial Position as at 31 December 2017

|                                       | Published<br>Financial<br>Statements<br>HK\$'000 | Unaudited<br>Financial<br>Statements<br>HK\$'000 | Difference<br>HK\$'000 | %     | Note     |
|---------------------------------------|--|--|------------------------|-------|----------|
| <b>Non-current assets</b>             |  |  |                        |       |          |
| Property, plant and equipment         | 62   | 62   | -                      |       |          |
|                                       | 62   | 62   |                        |       |          |
| <b>Current Assets</b>                 |  |  |                        |       |          |
| Trade and other receivables           | 76,484   | 53,283   | 23,201                 | 44%   | BS1, BS2 |
| Loan and advances                     | -  | 23,127   | (23,127)               | -100% | BS2      |
| Pledged bank deposits                 | -  | 5,416  | (5,416)                | -100% | BS3      |
| Cash and bank balances                | -  | 3,847  | (3,847)                | -100% | BS3      |
| Cash and cash equivalents             | 9,262  | -  | 9,262                  | N.A   | BS3      |
|                                       | 85,746   | 85,673   |                        |       |          |
| Total Assets                          | 85,808   | 85,735   |                        |       |          |
| <b>Equity</b>                         |  |  |                        |       |          |
| <b>Capital and Reserves</b>           |  |  |                        |       |          |
| Share capital                         | 19,139   | 19,139   |                        |       |          |
| Accumulated losses                    | (91,021)   | (90,837)   | (184)                  | 0%    | BS4      |
| Other reserves                        | 111,546  | 111,512  | 34                     | 0%    | BS5      |
| Attributable to owners of the Company | 39,664   | 39,814   |                        |       |          |
| <b>Non-controlling interests</b>      | 2,241  | 2,275  | (34)                   | -1%   | BS5      |
| Total equity                          | 41,905   | 42,089   |                        |       |          |
| <b>Liabilities</b>                    |  |  |                        |       |          |
| <b>Non-Current Liabilities</b>        |  |  |                        |       |          |
| Convertible bonds                     | 21,569   | 21,378   | 191                    | 1%    | BS4      |
| Warrants                              | 10   | 18   | (8)                    | -44%  | BS4      |
|                                       | 21,579   | 21,396   |                        |       |          |
| <b>Current Liabilities</b>            |  |  |                        |       |          |
| Trade and other payables              | 16,615   | 16,613   | 2                      | 0%    | BS6      |
| Borrowings                            | 5,552  | 5,552  | -                      | 0%    |          |
| Current tax liabilities               | 157  | 85   | 72                     | 85%   | BS1, BS6 |
|                                       | 22,324   | 22,250   |                        |       |          |
| Total liabilities                     | 43,903   | 43,646   |                        |       |          |
| Total equity and liabilities          | 85,808   | 85,735   |                        |       |          |
|                                       | -  | -  |                        |       |          |

## Explanatory Notes

- BS1            Reclassification of prepaid tax from current liabilities to current assets.
- BS2            Reclassification of loan and advances to trade and other receivable.
- BS3            The variance was mainly due to the re-presentation of “Pledged bank deposits” and “Cash and bank balances” in the Unaudited Financial Statements to “Cash and cash equivalents” in the Published Financial Statements.
- BS4            The variance was a result of the variance as explained in PL1 in relation to the Fair Value gain/loss of the convertible bond and warrants based on the valuation performed by the independent professional valuer firm.
- BS5            Allocated the foreign exchange reserves of PT Global Indonesia (“PTGI”) to Non-controlling interest.
- BS6            Reclassification of PTGI withholding tax to other payable.

Consolidated Statement of Cash Flows for the financial year ended 31 December 2017

|  | Published<br>Financial<br>Statements<br>HK\$'000 | Unaudited<br>Financial<br>Statements<br>HK\$'000 | Difference <sup>(1)</sup><br>HK\$'000 |
|--|--|--|---------------------------------------|
| <b>Cash Flows from Operating Activities</b>                        |  |  |                                       |
| Loss before taxation   | (7,037)  | (6,846)  | (191)                                 |
| Adjustments for:   |  |  |                                       |
| Depreciation of property, plant and equipment                      | 28   | 28   |                                       |
| Gain on disposal of subsidiaries                                   | (1,265)  | (1,265)  |                                       |
| Fair value gain on warrants  | (59)   | (50)   | (9)                                   |
| Fair value loss on derivative component of convertible bonds       | 96   | (95)   | 191                                   |
| Interest expense   | 1,741  | 1,741  |                                       |
| Interest income  | (60)   | (60)   |                                       |
| Share-based payment expense  | 456  | 456  |                                       |
| Unrealised exchange loss/(gain)                                    | 1,311  | 1,310  | 1                                     |
| Write-off of intangible assets                                     | 600  | 600  |                                       |
| Operating loss before working capital changes                      | (4,189)  | (4,181)  |                                       |
| Changes in inventories   | -  | -  |                                       |
| Changes in trade and other receivables                             | (4,085)  | (789)  | (3,296)                               |
| Changes in loan and advances                                       | (12,780)   | (13,027)   | 247                                   |
| Changes in trade and other payables                                | (549)  | (1,149)  | 600                                   |
| Cash used in operations  | (21,603)   | (19,146)   |                                       |
| Interest paid  |  | (94)   | 94                                    |
| Income tax paid  | (101)  | (101)  | -                                     |
| Net cash used in operating activities                              | (21,704)   | (19,341)   |                                       |
| <b>Cash Flows from Investing Activities</b>                        |  |  |                                       |
| Acquisition of property, plant and equipment                       | -  | -  |                                       |
| Acquisition of subsidiaries, net of cash acquired                  | -  | -  |                                       |
| Net cash outflow from disposal of subsidiaries                     | (2,917)  | (2,799)  | (118)                                 |
| Interest received  | 60   | 60   |                                       |
| Net cash used in investing activities                              | (2,857)  | (2,739)  |                                       |
| <b>Cash Flows from Financing Activities</b>                        |  |  |                                       |
| Proceeds from issue of shares                                      | -  | -  |                                       |
| Share issue expense  | -  | -  |                                       |
| Capital contribution from non-controlling interests                | -  | -  |                                       |
| Advances from related parties (non-trade)                          | 2,651  | -  | 2,651                                 |
| Interest paid on convertible bonds                                 | (1,426)  | (1,426)  |                                       |
| Dividend paid to non-controlling shareholders                      | -  | -  |                                       |
| Proceeds from borrowings   | 4,300  | 4,300  |                                       |
| Interest paid  | (94)   |  | (94)                                  |
| Repayment of borrowings  | (10,837)   | (10,760)   | (77)                                  |
| Decrease in pledged bank deposits                                  | 20,688   | 20,688   |                                       |
| Net cash generated from financing activities                       | 15,282   | 12,802   |                                       |
| Net decrease in cash and cash equivalents                          | (9,279)  | (9,278)  | (1)                                   |
| Cash and cash equivalents at beginning of year                     | 13,158   | 13,158   |                                       |
| Effects of exchange rate fluctuations on cash and cash equivalents | (33)   | (33)   |                                       |
| Cash and cash equivalents at end of year                           | 3,846 <sup>(2)</sup>                             | 3,847  |                                       |

Note:

- (1) The difference in movement in the consolidated statement of cash flow is mainly arising out of the changes in the consolidated statement of profit and loss and other comprehensive income and the consolidated statement of financial position, which has been explained above.
- (2) Less fixed deposit pledged of approximately HK\$5,416,000

**BY ORDER OF THE BOARD**

Lau Chor Beng, Peter  
Managing Director

3 April 2018

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*This announcement has been prepared by Joyas International Holdings Limited (the “**Company**”) and its contents have been reviewed by 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.*

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