

JOYAS INTERNATIONAL HOLDINGS LIMITED

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

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND PUBLISHED AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 27 February 2021 in relation to its unaudited financial results for the financial year ended 31 December 2020.

The Board of Directors (the "**Board**") of Joyas International Holdings Limited (the "**Company**") and together with its subsidiaries (collectively the "**Group**") refers to the announcement released by the Company on 27 February 2021 in relation to its unaudited financial result for the financial year ended 31 December 2020 ("**FY2020**") (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 Statements, 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 the published audited financial statements for FY2020 (the "**Published Financial Statements**") arose mainly due to the re-presentation of certain balance sheet items, the variance from expected credit loss for the impairment for loan and receivable under finance operation and the reclassification of other borrowings, being a callable loan, from non-current to current liabilities.

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 2020

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000	%	Note
Revenue	1,838	1,838	-	0%	
Other income	752	752	-	0%	
Administrative expenses	(3,959)	(3,959)	-	0%	
Impairment loss on trade and other receivable	(885)	(6)	(879)	14650%	PL1
Finance costs	(377)	(377)	-	0%	
Loss before income tax	(2,631)	(1,752)	(879)	50%	
Taxation	49	49	-	0%	
Loss for the year	(2,582)	(1,703)	(879)	52%	
Other comprehensive income after tax:					
Item that may be reclassified subsequently to profit or loss:					
Share of foreign currency translation differences of associated companies	-	-			
Other comprehensive loss for the year, net of tax of nil	-	-			
Total comprehensive loss for the year	(2,582)	(1,703)			
Total comprehensive income attributable to :					
Owners of the company	(2,450)	(1,835)	(615)	34%	PL2
Non-controlling interests	(132)	132	(264)	-200%	PL2
	(2,582)	(1,703)	(879)	52%	

Explanatory Notes

- PL1 Variance due to the impairment of expected credit losses of loan and receivable from finance operation. The impairment was made arising from additional information on the credit worthiness of debtor obtained subsequent to the Company's announcement on 27 February 2021.
- PL2 Variance due to owner's and non-controlling interest's share of PL1.

Consolidated Statement of Financial Position as at 31 December 2020

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000	%	Note
Current Assets					
Trade and other receivables	16,924	17,803	(879)	-5%	BS1
Pledged bank deposits	-	1,760	(1,760)	-100%	BS2
Cash and bank balances	3,696	1,936	1,760	-100%	BS2
	<u>20,620</u>	<u>21,499</u>			
Total Assets	<u>20,620</u>	<u>21,499</u>			
Equity					
Capital and Reserves					
Share capital	22,139	22,139			
Accumulated losses	(121,825)	(121,210)	(615)	1%	BS3
Other reserves	111,570	111,570	-	0%	
Attributable to owners of the Company	<u>11,884</u>	<u>12,499</u>			
Non-controlling interests	(255)	9	(264)	-	BS3
Total equity	<u>11,629</u>	<u>12,508</u>		2933%	
Liabilities					
Non-Current Liabilities					
Borrowings	-	5,000	(5,000)	-100%	BS4
	<u>-</u>	<u>5,000</u>			
Current Liabilities					
Trade and other payables	1,932	1,932	-	0%	
Borrowings	6,786	1,786	5,000	280%	BS4
Warrants	35	35	-	0%	
Current tax liabilities	238	238	-	0%	
	<u>8,991</u>	<u>3,991</u>			
Total liabilities	<u>8,991</u>	<u>8,991</u>			
Total equity and liabilities	<u>20,620</u>	<u>21,499</u>			

Explanatory Notes

- BS1 The variance was a result of reasons explained in PL1.
- BS2 The variance was mainly due to the re-presentation of “Pledged bank deposits” in the Unaudited Financial Statements to “Cash and Bank balances” in the Published Financial Statements.
- BS3 The variance was mainly as a result of share of non-controlling interest (“NCI”) and accumulated losses arising from impairment of expected credit losses of loan and receivable from finance operation as explained in PL1.
- BS4 The variance was a result of the reclassification of other borrowings, being a callable loan, from non-current liabilities to current liabilities.

Consolidated Statement of Cash Flows for the financial year ended 31 December 2020

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000
Cash Flows from Operating Activities			
Loss before taxation (Note 1)	(2,631)	(1,752)	(879)
Adjustments for:			
Depreciation of property, plant and equipment	1	1	
Interest expense	377	377	
Interest income	(9)	(9)	
Impairment loss on trade and other receivable (Note 1)	885	6	879
Foreign exchange (gain)/loss (Note 2)	(604)	-	(604)
Operating loss before working capital changes	(1,981)	(1,377)	
Changes in trade and other receivables	(298)	(298)	
Changes in trade and other payables	(157)	(157)	
Cash used in operations	(2,436)	(1,832)	
Income tax paid	(67)	(67)	
Net cash used in operating activities	(2,503)	(1,899)	
Cash Flows from Investing Activities			
Interest received	9	9	
Net cash generated from investing activities	9	9	
Cash Flows from Financing Activities			
Placement from issuance of ordinary shares	5,094	5,094	
Share issue expense	(209)	(209)	
Redemption of convertible bonds (Note 2)	(19,506)	(20,322)	816
Interest paid	(103)	(103)	
Interest paid on convertible bonds	(1,365)	(1,365)	
Proceed from bank loan	4,494	4,494	
Repayment of bank loan	(3,535)	(3,535)	
Proceeds from borrowings	5,000	5,000	
Repayment of borrowings	(120)	(120)	
Decrease in pledged bank deposits (Note 2)	3,557	3,769	(212)
Net cash used in financing activities	(6,693)	(7,297)	
Net decrease in cash and cash equivalents	(9,187)	(9,187)	
Cash and cash equivalents at beginning of year	11,123	11,123	
Cash and cash equivalents at end of year (Note 3)	1,936	1,936	

Note:

- (1) The difference in movement in the consolidated statement of cash flow was mainly due to 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) The difference in foreign exchange was mainly due to exchange differences from the convertible loan and fixed bank deposits.
- (3) The difference in cash and bank balances in the Statement of Financial Position and cash and cash equivalent in the Statement of Cash Flow was due to exclusion of fixed deposit pledged of approximately HK\$1,760,000 in cash and cash equivalent.

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
7 April 2021

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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