

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 2019

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 29 February 2020 in relation to its unaudited financial results for the financial year ended 31 December 2019.

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 29 February 2020 in relation to its unaudited financial result for the financial year ended 31 December 2019 ("**FY2019**") (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 FY2019 (the "**Published Financial Statements**") arose mainly due to the re-presentation of certain balance sheet items and the variance from expected credit loss for the impairment for loan and receivable under finance operation.

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 2019

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000	%	Note
Revenue	2,148	2,148	-	0%	
Other income	16,300	16,300	-	0%	
Administrative expenses	(4,704)	(4,704)	-	0%	
Impairment loss on trade and other receivable	(35,408)	-	(35,408)		PL1, PL2
Other operating expenses	(3,386)	(38,436)	35,050	-91%	PL2
Finance costs	(1,816)	(1,816)	-	0%	
Share of profit of an associate	281	281	-	0%	
Loss before income tax	<u>(26,585)</u>	<u>(26,227)</u>	(358)	1%	PL1
Taxation	<u>(198)</u>	<u>(198)</u>	-	0%	
Loss for the year	<u><u>(26,783)</u></u>	<u><u>(26,425)</u></u>	(358)	1%	PL1
Other comprehensive income after tax:					
Item that may be reclassified subsequently to profit or loss:					
Share of foreign currency translation differences of associated companies	139	139	-	0%	
Other comprehensive income for the year, net of tax of nil	<u>139</u>	<u>139</u>			
Total comprehensive loss for the year	<u><u>(26,644)</u></u>	<u><u>(26,286)</u></u>			
Total comprehensive income attributable to :					
Owners of the company	(27,087)	(26,836)	(251)	1%	PL3
Non-controlling interests	443	550	(107)	-19%	PL3
	<u><u>(26,644)</u></u>	<u><u>(26,286)</u></u>	(358)	1%	

Explanatory Notes

- PL1 Variance due to the impairment of expected credit losses of loan and receivable from finance operation.
- PL2 Reclassification of the impairment of trade and receivable from other expenses.
- PL3 Variance due to owner's and non-controlling interest's share of PL1.

Consolidated Statement of Financial Position as at 31 December 2019

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000	%	Note
Non-current assets					
Property, plant and equipment	<u>1</u>	<u>1</u>	-		
Current Assets					
Trade and other receivables	17,511	17,870	(359)	-2%	BS1
Pledged bank deposits	-	5,528	(5,528)	-100%	BS2
Cash and bank balances	-	11,123	(11,123)	-100%	BS2
Cash and cash equivalents	<u>16,652</u>	<u>-</u>	16,652	N.A	BS2
	<u>34,163</u>	<u>34,521</u>			
Total Assets	<u><u>34,164</u></u>	<u><u>34,522</u></u>			
Equity					
Capital and Reserves					
Share capital	19,139	19,139			
Accumulated losses	(122,017)	(121,766)	(251)	0%	BS3
Other reserves	<u>112,327</u>	<u>112,327</u>	-	0%	
Attributable to owners of the Company	9,449	9,700			
Non-controlling interests	<u>(123)</u>	<u>(16)</u>	(107)	669%	BS3
Total equity	9,326	9,684			
Liabilities					
Non-Current Liabilities					
Warrants	<u>35</u>	<u>35</u>	-	0%	
	<u>35</u>	<u>35</u>			
Current Liabilities					
Trade and other payables	2,089	2,089	-	0%	
Borrowings	900	900	-	0%	
Convertible bonds	21,460	21,460	-	0%	
Current tax liabilities	<u>354</u>	<u>354</u>	-	0%	
	<u>24,803</u>	<u>24,803</u>			
Total liabilities	<u>24,838</u>	<u>24,838</u>			
Total equity and liabilities	<u><u>34,164</u></u>	<u><u>34,522</u></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” and “Cash and bank balances” in the Unaudited Financial Statements to “Cash and cash equivalents” 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..

Consolidated Statement of Cash Flows for the financial year ended 31 December 2019

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000
Cash Flows from Operating Activities			
Loss before taxation (Note 1)	(26,585)	(26,227)	(358)
Adjustments for:			
Depreciation of property, plant and equipment	4	4	
Fair value loss on warrants	30	30	
Fair value loss on derivative component of convertible bonds	(14)	(14)	
Interest expense	1,644	1,643	1
Interest income	(72)	(72)	
Impairment loss on investment in an associated company (Note 1)	3,355	-	3,355
Impairment loss on trade and other receivable (Note 1)	35,408	-	35,408
Impairment loss on			
-investment and amount due from an associate (Note 1)	-	14,027	(14,027)
-trade deposit received (Note 1)	-	24,377	(24,377)
Written off of trade payable	(10,531)	(10,531)	
Written off of other payable	(5,673)	(5,673)	
Share-based payment expense	248	248	
Unrealised exchange loss	172	-	172
Share results of associate	<u>(281)</u>	<u>(281)</u>	
Operating loss before working capital changes	(2,295)	(2,469)	
Currency translation adjustments	1	172	(171)
Changes in trade and other receivables	258	258	
Changes in loan and advances	1,000	1,000	
Changes in financial assets at fair value through profit and loss	2,584	2,584	
Changes in trade and other payables	610	611	(1)
Net cash used in operating activities	<u>2,158</u>	<u>2,156</u>	
Cash Flows from Investing Activities			
Net cash outflow from disposal of subsidiaries	4,500	4,500	
Interest received	<u>72</u>	<u>72</u>	
Net cash (used in)/generated from investing activities	4,572	4,572	
Cash Flows from Financing Activities			
Interest paid on convertible bonds	(1,422)	(1,422)	-
Interest paid	(121)	(492)	371
Repayment of borrowings	(472)	(100)	(372)
Increase in pledged bank deposits	<u>(69)</u>	<u>(68)</u>	(1)
Net cash generated from financing activities	(2,084)	(2,082)	
Net decrease in cash and cash equivalents	4,646	4,646	
Cash and cash equivalents at beginning of year	<u>6,477</u>	<u>6,477</u>	
Cash and cash equivalents at end of year (Note 2)	<u><u>11,123</u></u>	<u><u>11,123</u></u>	

Note:

- (1) The difference in movement in the consolidated statement of cash flow is 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) Representing balance after less fixed deposit pledged of approximately HK\$5,528,000

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
9 April 2020

*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**”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and Email: sponsorship@ppcf.com.sg).