JOYAS INTERNATIONAL HOLDINGS LIMITED

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

JOINT AUDITORS' OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Pursuant to Rule 704(5) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited, the Board of Directors (the "**Board**") of Joyas International Holdings Limited (the "**Company**") and together with its subsidiaries (the "**Group**") wishes to announce that the independent joint auditors of the Company, HLB Hodgson Impey Chang Limited and Foo Kon Tan LLP, have issued a disclaimer of opinion in the independent joint auditors' report ("**Independent Joint Auditors' Report**") in respect of the Company's consolidated financial statements for the financial year ended 31 December 2017 ("**FY2017**") (the "**Published Financial Statements**").

The Independent Joint Auditors' Report is appended to this announcement together with the relevant Notes to the Published Financial Statements.

The Published Financial Statements and the Independent Joint Auditors' Report will also be found in the Company's annual report for FY2017, which will be released via the SGXNET and despatched to the Company's shareholders in due course.

The Board and the Management of the Company wish to provide their comments and views in relation to certain matters raised in the Independent Joint Auditors' Report which formed the basis of the disclaimer of opinion:

i) Consolidation of controlled entities and xi) Disposal of subsidiaries of JGL Group

On 25 May 2017, the Company announced that it had entered into a sale and purchase agreement ("**SPA**") to dispose of its 100% equity interest in Joyas Group Limited ("**JGL**") and its subsidiaries ("**JGL Group**") to an individual purchaser ("**Purchaser**") ("**Disposal**"). A circular to shareholders dated 12 June 2017 ("**Circular**") was subsequently issued to the Company's shareholders ("**Shareholders**") to seek their approval on the Disposal. The Disposal was approved by the Shareholders during the extraordinary general meeting held on 28 June 2017 and completed on 6 July 2017 ("**Completion**"). Pursuant to terms of the SPA, the Purchaser shall be entitled to all income and responsible for all expenses of the JGL Group on or after 1 January 2017. In addition, since 1 January 2017, the Group had also not engaged in the metal gift products and jewellery products business and did not have any transactions whether financing, sales or purchases with JGL Group. The Executive Director of the Company, Mr Lau Chor Beng continued to be a director of certain subsidiaries of JGL after the Completion as he was assisting the Purchaser in the handover of JGL Group. Mr. Lau Chor Beng was solely acting on his own personal capacity and his directorship in these subsidiaries post Completion was not related to the Group.

As the Company was no longer entitled to the income and responsible for all expenses of the JGL Group on or after 1 January 2017 and there was no transaction between the Group and the JGL Group, the Company had de-consolidated the JGL Group from its Group's accounts with effect from 1 January 2017 in accordance with the terms of the SPA ("**Deconsolidation**").

Following the Completion, all books and records were handed over to the Purchaser. The gain on the Disposal was calculated based on the management accounts of JGL Group as at 31 December 2016 which were made available to the Group prior to the Completion.

The Board and the Management are of the view that the computation of the carrying amount of the Disposal Group and gain on the Disposal, as well as the Deconsolidation from 1 January 2017 is consistent with the terms of the SPA and the information available to the Group prior to the Completion. In any event, The Management is of the view that there would have been no difference to the Group's reported loss for FY2017 and the Group's financial position as at 31 December 2017, had JGL Group been de-consolidated from the Group with effective from 6 July 2017 instead of 1 January 2017 as the Company was not entitled to the income and responsible for the expenses of JGL Group under the terms of the SPA.

ii) Control over other entities

For details on the Board's view on control over Entity A, Entity B and Entity C, please refer to the Company's announcement dated 7 June 2017 in relation to the independent joint auditors' opinion on the financial statements for the financial year ended 31 December 2016.

Based on the above, the Board and the Management are of the view that the Company does not have control over Entity A, Entity B and Entity C.

iii) Inventories

As at 31 December 2017, the Group did not have any inventories.

The explanation of the certain matters highlighted under opening balances have been made in the Company's announcement dated 7 June 2017 in relation to the independent joint auditors' opinion on the financial statements for the financial year ended 31 December 2016.

iv) Non-trade amounts due to former subsidiaries

As at 31 December 2017, the Group did not have non-trade amounts due to former subsidiaries.

The explanation of the certain matters highlighted under opening balances have been made in the Company's announcement dated 7 June 2017 in relation to the independent joint auditors' opinion on the financial statements for the financial year ended 31 December 2016.

v) Valuation of intangible assets

The intangible asset of HK$600,000 relates to membership subscription paid to a credit information bureau provider by CCIG Financial Services Limited ("**CCIG**"), a subsidiary of the Company which was acquired in financial year ended 31 December 2016. There is no fixed term of the membership though membership may be terminated by either party upon three months' notice in the event of certain situations like breaches of warranties and liquidation. As a member, CCIG can continue to use the credit information services as long as it pays for the services used and the credit information bureau is in operation.

During FY2017, CCIG did not utilise the services as the customers of CCIG are mainly corporate clients and there were alternative procedures which was more cost effective.

In view of the above, the Board and the Management believe that the economic value of the membership subscription to the Group is very limited and for prudence purposes, the Group wrote off the value of the intangible assets during FY2017

vi) Valuation of property, plant and equipment

As at 31 December 2017, the Group had less than HKD100,000 of property, plant and equipment.

The explanation of the certain matters highlighted under opening balances have been made in the Company's announcement dated 7 June 2017 in relation to the independent joint auditors' opinion on the financial statements for the financial year ended 31 December 2016.

vii) Purchase price allocation and impairment of goodwill for financial and nickel ore businesses

As at 31 December 2017, the Group did not have goodwill.

The explanation of the certain matters highlighted under opening balances have been made in the Company's announcement dated 7 June 2017 in relation to the independent joint auditors' opinion on the financial statements for the financial year ended 31 December 2016.

viii) Deposits paid to a supplier

The deposits were made by the Group to its supplier for the purchase of nickel ore. The Group's supplier in the Philippines has yet to obtain the export approvals due to new additional procedures from the relevant authorities. The deposit is secured by a personal guarantee from the Group's joint venture partner, personal guarantees from minority shareholders of Hong Kong Silver Basic Group Limited, a subsidiary of the Group and also a share pledge in a mining company in Indonesia, which owns concessions in the mining of nickel ore in Indonesia.

In addition, the Group's subsidiary, PT Global Linker Indonesia ("**PTGLI**") has obtained a specific license to sell nickel ore domestically in Indonesia. The Group has received some orders for nickel ore for the domestic market and is in the process of arranging contractors in Indonesia to extract the nickel ore.

The Board and the Management are of the view that once the sale of nickel ore takes place in Indonesia, the Group will be able to work out a repayment plan for the deposit paid to the supplier as the shareholder of the supplier in the Philippines is the same party as the supplier in Indonesia, being Mr. Wang De Zhou As at the date of this announcement, the Board and the Management are of the view that there is no provision required for these deposits.

ix) Going concern

The Board and the Management believe that the Group and the Company will have sufficient resources to continue its operation for the foreseeable future after taking into consideration the following:

a) As at 31 December 2017, the Group had net current assets and net assets of HK$63,422,000 and HK$41,905,000, respectively, while the Company had net current assets and net assets of HK$59,311,000 and HK$37,740,000 respectively; and

b) Implementation of cost containment measures and working capital management to generate sufficient cash flows from operations.

Based on the above, the Board is of the view that the Group and the Company will be able to continue as going concern, and it is appropriate that the Published Financial Statements have been prepared on that basis.

The Board (i) is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner; and (ii) confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

x) Related party transactions and balances

During FY2017, the Company has appointed David Ho & Company, a firm of Certified Public Accountants in Hong Kong to carry out a review of the written documentation and procedures on the Group's current internal control system and policy in respect of (i) interested party transactions and related party transactions identification, recording and documentations; (ii) transactions with possible conflict of interest of directors, the disclosure, approval and recording procedures; and (iii) internal control policy and procedures of the financing activities and to review the effectiveness of the internal controls of certain cycles of the Group's financing activities. David Ho & Company did not identify any shortcoming or exceptions in the system of internal controls and policy and procedures in relation to the above.

The background and commercial justification of certain related party transactions referred to in the Independent Joint Auditors' Report related to JGL Group and transactions by a key management personnel of the Group, namely Mr. Wang De Zhou ("**Mr. Wang**") and companies related to him ("**Mr. Wang and related companies**") with companies within the Group, namely Hong Kong Silver Basic Group Limited and PTGLI. The transactions with Mr Wang and related companies comprised advances from and to Mr Wang and related companies for the main purpose of setting up the nickel ore supply business in Indonesia.

For explanations on transactions with JGL Group and Entity A, B and C , please refer to in items (i) and (ii) above.

xii) Unaudited financial information of component

The subsidiary referred to in the Independent Joint Auditors' Report is P.T. Global Linker Indonesia ("**PTGLI**"), the Company's subsidiary in Indonesia. PTGLI was dormant during FY2017 and the net assets of PTGLI as at 31 December 2017 was approximately HK$7 million which comprised mainly advances to Mr. Wang De Zhou, who is a key management personnel of the Group, for the purpose of sourcing for nickel ore supplies in Indonesia. The Group has a right to set off the entire balances with balances due to Mr. Wang De Zhou and its related companies. After offsetting, the net assets of PTGLI to the Group would be fairly minimal i.e. less than HK$100,000.

Subsequent to FY2017, the accountant of PTGLI was sick and the auditors could not commence its audit work within the required time frame. The auditors had started to commence work but could not complete on time before the finalisation of the Published Financial Statement. Since PTGLI was dormant during FY2017 and the net assets (after offset) would be fairly immaterial, the Board and the Management are of the view is that the inclusion or exclusion of financial statements of PTGLI will not result in material impact to the Group.

Shareholders of the Company are advised to read this announcement in conjunction with the Independent Joint Auditors' Report and the entire Published Financial Statements in the Company's annual report for FY2017, which will be despatched in due course.

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
3 April 2018

*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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