

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 2021

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 25 February 2022 in relation to its unaudited financial results for the financial year ended 31 December 2021.

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 25 February 2022 in relation to its unaudited financial result for the financial year ended 31 December 2021 ("**FY2021**") (the "**Unaudited Financial Statements**").

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, 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 independent auditors of the Company, Baker Tilly TFW LLP.

The material variances between the Unaudited Financial Statements and the published audited financial statements for FY2021 (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 2021

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000	%	Note
Revenue	3,442	3,442	-	0%	
Other income	73	151	(78)	-52%	PL1
Administrative expenses	(3,931)	(3,931)	-	0%	
Net impairment losses on trade and other receivable	(298)	(376)	78	-21%	PL1
Finance costs	<u>(558)</u>	<u>(558)</u>	-	0%	
Loss before income taxation	<u>(1,272)</u>	<u>(1,272)</u>	-	0%	
Taxation	<u>(145)</u>	<u>(145)</u>	-	0%	
Loss and total comprehensive loss for the financial year	<u>(1,417)</u>	<u>(1,417)</u>	-	0%	
Loss and total comprehensive loss attributable to:					
Owners of the company	(1,603)	(1,603)	-	0%	
Non-controlling interests	<u>186</u>	<u>186</u>	-	0%	
	<u>(1,417)</u>	<u>(1,417)</u>	-	0%	

Explanatory Notes

- PL1 Variance due to reclassification of reversal of impairment loss on deposits to net impairment losses on trade and other receivable as they relate to the same nature.

Consolidated Statement of Cash Flows for the financial year ended 31 December 2021

	Published Financial Statements HK\$'000	Unaudited Financial Statements HK\$'000	Difference HK\$'000	%	Note
Cash Flows from Operating Activities					
Loss before taxation	(1,272)	(1,272)	0	0%	
Adjustments for:					
Fair value gain on financial assets at fair value	(202)	-	(202)	100%	Note 2
Interest expense	558	558	0	0%	
Reversal of impairment losses on trade deposit paid	-	(78)	78	-100%	Note 1
Interest income	(2)	(2)	0	0%	
Gain on disposal of a subsidiary	(36)	(36)	0	0%	
Net impairment loss on trade and other receivable	298	376	(78)	-21%	Note 1
Written back of warrants	(35)	(35)	0	0%	
Foreign exchange loss	26	27	(1)	-4%	
Operating loss before working capital changes	(665)	(462)			
Change in financial assets at fair value through profit and loss	8,538	-	8,538	100%	Note 2
Changes in trade and other receivables	(11,073)	(265)	(10,808)	4078%	Note 2
Changes in loan and advances	(2,000)	(2,000)	0	0%	
Changes in trade and other payables	(1,620)	546	(2,166)	-397%	Note 2 and 4
Cash used in operations	(6,820)	(2,181)			
Income tax paid	(267)	(267)	0	0%	
Net cash used in operating activities	(7,087)	(2,448)			
Cash Flows from Investing Activities					
Acquisition of subsidiaries, net of cash acquired	43	43	0	0%	
Goodwill on acquisition	-	(25)	25	-100%	Note 2
Disposal of subsidiary, net of cash acquired	(40)	(40)	0	0%	
Investment in foreign exchange contract	-	(4,602)	4,602	-100%	Note 2
Interest received	2	2	0	0%	
Net cash generated from investing activities	5	(4,622)			
Cash Flows from Financing Activities					
Interest paid	(443)	(493)	50	-10%	Note 4
Proceed from bank loan	-	9,750	(9,750)	-100%	Note 4
Proceeds from borrowings	32,870	32,870	0	0%	
Proceed from bank overdraft	9,713	-	9,713	100%	Note 4
Repayment of borrowings	(25,060)	(25,060)	0	0%	
Fund placed in non-liquid deposits	(1,733)	-	(1,733)	100%	Note 3
Decrease in pledged bank deposits	(8,268)	(10,000)	1,732	-17%	Note 3
Net cash generated from financing activities	7,079	7,067			

Net decrease in cash and cash equivalents	(3)	(3)	0	0%
Cash and cash equivalents at beginning of year	1,936	1,936		
Cash and cash equivalents at end of year	<u>1,933</u>	<u>1,933</u>		
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Note:

- (1) The difference in movement was mainly due to reasons explained in PL1 above.
- (2) The difference in movement was mainly due to reclassification of balances from trade and other receivables and trade and other payables to financial assets at fair value through profit and loss and investment in foreign exchange contract in respect of the Group's previous subsidiary, Topping Tact Limited, which was engaged in forex investments.
- (3) The difference in cash and bank balances was due to the reallocation of cash and cash equivalent from pledged bank deposits to non-liquid deposits of approximately HK\$1.7 million.
- (4) The difference was due to reclassification of balances from interest paid and proceeds from bank loan to proceed from bank overdraft and other payables.

BY ORDER OF THE BOARD

Vincent Cheung Chun Wai
Executive Director and Chief Executive Officer

6 April 2022

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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