

Joyas International Holdings Limited

(Incorporated in Bermuda)
(Company Registration Number 38991)

PROPOSED JOINT CO-OPERATION – ENTRY INTO JOINT COOPERATION AGREEMENT

Introduction

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 Company had on 18 January 2022, through its wholly-owned subsidiary, Asiapac Growth Holdings Limited (“**Asiapac**”), entered into a joint cooperation agreement (“**Joint Cooperation Agreement**”) with Splendid Powerful Limited (“**Splendid Powerful**”) in relation to a proposed joint co-operation as detailed below (the “**Proposed Joint Co-operation**”).

Pursuant to the Joint Cooperation Agreement, a new entity, Meta Technology International Limited (“**Meta**”), will be incorporated in Hong Kong, with an issued share capital of HK\$10,000. Asiapac will own 60% of the issued share capital of Meta while Splendid Powerful will own the remaining 40% of the issued share capital of Meta.

Information on Splendid Powerful

The information on Splendid Powerful provided below was provided to the Company by Splendid Powerful. In respect of such information, the Company and the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Company and the Board’s responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

Splendid Powerful is incorporated in the British Virgin Islands and is principally in the business of providing financial technology (“**Fintech**”) services and investing in investments such as securities token offerings (“**STOs**”) and non-fungible tokens (“**NFTs**”).

Silver Map Holdings Limited (www.silvermapholdings.com), a company which specialises in investing in income generating properties in South East Asia, owns 60% of the issued share capital of Splendid Powerful. The remaining 40% of the issued share capital of Splendid Powerful is held by Eusia Development Company Limited. Silver Map Holdings Limited has successfully tokenised 10 apartments into MAMI Tokens, which can be traded on “Crytosx” (www.Crytosx.io), a digital exchange licensed in Philippines.

The management team of Splendid Powerful comprise a group of experts in real estate, financial market, blockchain, Fintech, entertainment, contemporary and classic art. Their track record includes, *inter alia*, the following:

- (i) assisting a client to issue a STO known as MAMI Token, tokens backed by real estate properties, which was listed and traded on a digital exchange licensed in Philippines;
- (ii) assisting clients to mint artworks into NFTs; and
- (iii) assisting artist to mint music works into NFTs.

Going forward, Splendid Powerful intends to set up a NFT marketplace and organise NFT project events under the names “V. Gallerier” and “V. Market”, and “V. World” respectively. V. Gallerier is intended to be a virtual art display centre for Asian contemporary art and ancient art, and endeavours to evolve into a unique marketplace for art collectors and lovers alike. V. World will operate NFT project events while V. Market will operate as a NFT marketplace. Splendid Powerful will invite Meta’s clients to participate in such NFT marketplace and NFT project events.

Shareholders should note that Splendid Powerful, Euasia Development Company Limited and its respective shareholders are each an independent third party and is not related to any of the Directors or controlling shareholders of the Company and their respective associates. As at the date of this announcement, Splendid Powerful and Euasia Development Company Limited do not have any interest in the shares of the Company, other than Mr Chu Hin Ming Alfonso, being one of the ultimate beneficial shareholders of Splendid Powerful, is interested in 2,000,000 ordinary shares in the share capital of the Company, representing 0.09% of the total issued and paid-up share capital of the Company.

Rationale for the Proposed Joint Co-operation

The Group continually seeks opportunities for the development and growth of the Group’s business and operations, and the Board believes that the entry into the Joint Cooperation Agreement is a strategic opportunity for the Group to venture into the Fintech and NFT industry. The entry into the Joint Cooperation Agreement is also in line with the Group’s strategy of diversifying its revenue streams and enhancing long-term shareholder value.

The Board is of the view that the Proposed Joint Co-operation will currently not change the risk profile of the Group due to the minimal initial funding required for the Proposed Joint Co-operation. The Company will seek shareholders’ approval for a business diversification into the Fintech business and NFT business when appropriate.

The Proposed Joint Cooperation

The Proposed Joint Co-operation involves the setting up of Meta which will be engaged in the provision of Fintech and blockchain related services including but not limited to the following (“**Business**”):

- (1) assisting clients to digitalize of their artworks such as paintings, sculptures, photos and music into non-fungible tokens (“NFTs”) using blockchain technology;
- (2) arranging and designing unique promotion campaigns for the NFTs;
- (3) assisting clients to tokenize tangible and intangible assets into security tokens and listing the security tokens on decentralized security token exchanges; and
- (4) assisting clients to trade their NFTs on the NFT marketplaces.

The Group will be principally involved in marketing and sales while most of the work will be outsourced to suppliers or services providers including Splendid Powerful and its related companies. The Group’s management and Directors have extensive commercial experience and network and will contribute such expertise to Meta. The management team of Meta will mainly be derived from Splendid Powerful and the Group’s management team.

The Joint Cooperation Agreement

According to the Joint Cooperation Agreement:

- (a) The obligations of the Company and Splendid Powerful under the Joint Cooperation Agreement shall include but not limited to the following:
 - (i) The Company and Splendid Powerful obtaining such approval(s) from their respective board of directors and shareholders (if required) in connection with the Proposed Joint Cooperation, the Joint Cooperation Agreement and the transactions contemplated therein as may be necessary.
 - (ii) The Company obtaining such approval(s), confirmation(s) and/or waiver(s) from the SGX-ST and the Sponsor in connection with the Proposed Joint Cooperation, the Joint Cooperation Agreement and the transactions contemplated by therein as may be necessary.
 - (iii) Such other conditions precedent that are usual and customary for transactions of this nature and other conditions precedent appropriate for a transaction of this nature as may be agreed between the Company and Splendid Powerful.

- (b) The obligations of Asiapac under the Joint Cooperation Agreement shall include:
 - (i) Owning and maintaining 60% of the issued share capital of Meta for the duration of the Joint Cooperation Agreement;
 - (ii) Nominating an accounting staff to prepare and maintain the accounting books and records of Meta;
 - (iii) Nominating a joint signatory for the bank account(s) of Meta;
 - (iv) Nominating up to two (2) directors onto the board of directors of Meta; and
 - (v) Appointing the chairman of the board of directors of Meta.

- (c) The obligations of Splendid Powerful under the Joint Cooperation Agreement shall include:
 - (i) Owning and maintaining 40% of the issued share capital of Meta for the duration of the Joint Cooperation Agreement;
 - (ii) Nominating a general manager to supervise the operations of Meta;
 - (iii) Nominating a joint signatory for the bank account(s) of Meta; and
 - (iv) Nominating up to two (2) directors onto the board of directors of Meta.

Source of Funds

The Board is of the view that the funds required for the operation of Meta will be minimal as most of the work are outsourced and variable in nature. However, should Meta require further working capital or funding in the future, the funding will be provided in proportion to the Company's equity interest in Meta.

Safeguards in relation to the Proposed Joint Co-operation and the Joint Co-operation Agreement

The Board is of the view that the safeguards to the Group in connection with the Proposed Joint Co-operation and the Joint Co-operation Agreement are set out below:

- (a) the Group is currently not contributing material funding to Meta, except for the subscription of share capital of approximately HK\$6,000. As such, the exposure to the Group in terms of cash flow is minimal;
- (b) Meta will not be able to borrow or make any loans in excess of HK\$500,000 or the equivalent in foreign currency unless prior written consent of all shareholders of Meta (i.e. Asiapac and Splendid Power) has been obtained; and
- (c) the Group's liability will be limited to the proportion of its contribution to the share capital of Meta.

Accordingly, in view of the above safeguards and the Proposed Joint Co-operation presenting the Group with a strategic opportunity to venture into the Fintech and NFT industry, thereby providing the Group with a new source of revenue, the Board is of the view that it is in the best interest of the Company to enter into the Proposed Joint Co-operation and the Joint Co-operation Agreement.

Confirmation by the Board

The Board confirms it has received the following legal confirmations from its Hong Kong legal adviser:

- (a) There is no specific licence requirement in general for conducting business relating to NFTs in Hong Kong.
- (b) The Business does not, *per se*, contravene any law in Hong Kong.
- (c) However, on-going attention should be made to the actual arrangement and structure of the NFTs so as to avoid them being regarded as "securities" or "future contracts" under Securities Future Ordinance, Cap 571 in Hong Kong. Due diligence should also be conducted in, if necessary, dealing with client's funds involved in the transaction of NFTs for anti-money laundering.

Financial Effects

The incorporation of Meta will be funded through internal resources, and the Proposed Joint Cooperation and the incorporation of Meta are not expected to have a material impact on the Group's net tangible assets per share and the earnings per share for the current financial year ending 31 December 2022.

Interests of Directors and Substantial Shareholders

None of the directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Joint Cooperation, other than through their respective shareholdings in the Company, if any.

Further Announcements

The Proposed Joint Co-operation will not change the risk profile of the Group as the Group is not contributing material funding to Meta except for the subscription of share capital of approximately HK\$6,000. However, in the event that Meta enters into subsequent transactions or if the growth in Meta's business changes the risk profile of the Group, the Group will seek shareholders' approval for a proposed diversification of the Group's business into the Fintech business and the NFT business ("**Proposed Diversification**") prior to entering into such transaction or stage.

Further announcements will be made by the Company in relation to the Proposed Diversification as and when appropriate.

Documents Available for Inspection

A copy of the Joint Cooperation Agreement may be inspected at the Company's registered address at 35 Selegie Road #10-25 Singapore 188307 during normal business hours for three (3) months from the date of this announcement.

In light of the COVID-19 advisories issued by the relevant authorities in Singapore, shareholders who wish to inspect the Joint Cooperation Agreement at the registered office of the Company are required to send an email request to admin@joyasint.com to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly. The inspection of document will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities in Singapore from time to time.

Cautionary Statement

Shareholders and potential investors of the Company should note that the Proposed Joint Cooperation is in the preliminary stage and there is no certainty or assurance as at the date of this announcement that the Proposed Joint Cooperation will materialise.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
Joyas International Holdings Limited

Vincent Cheung Chun Wai
Executive Director and Chief Executive Officer

18 January 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.

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles Singapore 049318, sponsorship@ppcf.com.sg.