

JOYAS INTERNATIONAL HOLDINGS LIMITED

Company No.: 38991

(the “Company”)

(Incorporated in Bermuda with limited liability)

PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 2,429,236,398 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0035 FOR EACH RIGHTS SHARE, ON THE BASIS OF 6 (SIX) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Joyas International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a non-renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 2,429,236,398 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.0035 (the “**Issue Price**”) for each Rights Share, on the basis of 6 (six) Rights Shares for every one (1) existing ordinary share in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Rights Issue is subject to, *inter alia*, the approval of the Shareholders, which will be sought at the special general meeting of the Company (the “**SGM**”) to be convened. A circular (the “**Circular**”) to Shareholders containing further information on the Rights Issue, together with the notice for the SGM, will be despatched to Shareholders in due course.

2. DETAILS OF THE RIGHTS ISSUE

The Company is proposing to undertake the Rights Issue, at the Issue Price for each Rights Share on a non-renounceable, non-underwritten basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) Market Days (as defined below) prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”). Please refer to Paragraph 5 below entitled “Eligibility to Participate in the Rights Issue” for further details.

Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Rights Shares are payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, “record date” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the

securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions.

Entitled Shareholders will be at liberty to accept in part or in whole, or decline their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue (the “**Excess Rights Shares**”).

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotments and issuance of any Excess Right Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The Issue Price of S\$0.0035 for each Rights Share represents a discount of approximately 61.11% to the last transacted price of S\$0.009 per Share on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 8 March 2016 (being the market day immediately preceding this announcement).

The maximum issue size of 2,429,236,398 Rights Shares (the “**Maximum Issue Size**”) was arrived at based on the assumption that none of the Company’s convertible securities outstanding as at the date of this announcement (i.e. (i) 18,173,980 warrants (issued on 23 February 2015); (ii) S\$3,503,459.68 in aggregate principal amount of convertible bonds (issued on 23 February 2015); and (iii) 21,000,000 outstanding options issued by the Company) have been exercised on the basis that these convertible securities are out-of-the-money as at the date of this announcement.

Assuming the Maximum Issue Size and the Rights Issue is fully subscribed by all Shareholders (the “**Maximum Scenario**”), based on the existing share capital of the Company of 404,872,733 Shares at the date of this announcement (the “**Existing Share Capital**”), up to 2,429,236,398 Rights Shares may be issued pursuant to the Rights Issue.

Assuming the Maximum Issue Size and that only Joyas Investments Group Limited (“**JIGL**”), Reach Win Limited (“**RWL**”) and Mr Ong Chor Wei subscribe for the Rights Issue (the “**Minimum Scenario**”) based on the Existing Share Capital, up to 1,207,329,828 Rights Shares may be issued pursuant to the Rights Issue.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement (including the accompanying application forms) to be despatched by the Company to the Shareholders in due course (the “**Offer Information Statement**”).

The Company will be seeking the listing and quotation of the Rights Shares in the Catalist via its sponsor, PrimePartners Corporate Finance Pte. Ltd (the “**Sponsor**”).

AS THE RIGHTS ISSUE IS MADE ON A NON-RENOUCEABLE BASIS, ENTITLED SHAREHOLDERS SHOULD NOTE THAT THEY WILL NOT BE ABLE TO TRADE THEIR PROVISIONAL ALLOTMENTS OF RIGHT SHARES.

3. IRREVOCABLE UNDERTAKINGS

The Rights Issue will be supported by substantial shareholders of the Company, namely JIGL, RWL and Mr Ong Chor Wei. For this purpose, (i) JIGL and its controlling shareholder, Mr Lau Chor Beng Peter shall collectively be referred to as the “**JIGL Group**”; and (ii) RWL and its controlling shareholders, namely, Delton Group Limited, Cavendish Limited, Mr Ong Chor Wei and Ms Yung Fung Ping shall collectively be referred to as the “**RWL Group**” (collectively, the “**Undertaking Shareholder Groups**”).

As at the date of this announcement, the respective shareholdings of the JIGL Group and the RWL Group are as follows:

(a) the JIGL Group:

	Direct Interest		Deemed Interest		Total
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	% ⁽¹⁾
Joyas Investments Group Limited ⁽²⁾	120,421,638	29.74%	-	-	29.74%
Lau Chor Beng, Peter ⁽²⁾	-	-	120,421,638	29.74%	29.74%
Total	120,421,638	29.74%			

Notes:

- (1) Based on the Existing Share Capital of the Company.
- (2) Mr Lau Chor Beng, Peter is deemed interested in the Shares held by JIGL of which Mr Lau Chor Beng, Peter is a controlling shareholder and director.

As at the date hereof, the JIGL Group holds an aggregate of 29.74% of the voting rights (as defined in Singapore Code on Take-overs and Mergers (the “**Code**”)) of the Company.

(b) the RWL Group:

	Direct Interest		Deemed Interest		Total
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	% ⁽¹⁾
Reach Win Limited ⁽²⁾⁽³⁾	80,000,000	19.76%	-	-	19.76%
Delton Group Limited ⁽²⁾	-	-	80,000,000	19.76%	19.76%
Cavendish Limited ⁽³⁾	-	-	80,000,000	19.76%	19.76%
Ong Chor Wei ⁽²⁾	800,000	0.20%	80,000,000	19.76%	19.96%
Yung Fung Ping ⁽³⁾	-	-	80,000,000	19.76%	19.76%
Total	80,800,000	19.96%			

Notes:

- (1) Based on the Existing Share Capital of the Company.
- (2) Delton Group Limited is deemed interested in the Shares held by RWL of which Delton Group Limited is a controlling shareholder. Mr Ong Chor Wei is deemed interested in the Shares held by RWL, of which Mr Ong Chor Wei is a director, and he holds 100% shareholding interest in Delton Group Limited.
- (3) Cavendish Limited is deemed interested in the Shares held by RWL of which Cavendish Limited is a controlling shareholder. Ms Yung Fung Ping is deemed interested in the Shares held by RWL, of which Ms Yung Fung Ping is a director and she holds 100% shareholding interest in Cavendish Limited.

As at the date of this announcement, the RWL Group holds an aggregate of 19.96% of the voting rights (as defined in the Code) of the Company.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, JIGL, RWL and Mr Ong Chor Wei have given irrevocable undertakings, pursuant to which each of JIGL, RWL and Ong Chor Wei has irrevocably undertaken to the Company that, *inter alia* (the “**Undertakings**”):

- (a) they will apply and subscribe for and/or procure applications and subscription for and pay for and/or procure the payment for the whole of their *pro rata* beneficial entitlement of 1,207,329,828 Rights Shares (based on the Existing Share Capital);
- (b) they shall not, without the prior written consent of the Company, sell, transfer or otherwise dispose of all or any of the beneficial interest in the Shares that they currently legally and beneficially own;
- (c) provide evidence in writing that they have sufficient financial resources to fulfil their obligations as set out in paragraph (a) above;
- (d) vote (in respect of all Shares legally and beneficially owned by each of them at the SGM) in person or by representative or proxy, in favour of all resolutions which will be proposed at the SGM;
- (e) warrant and represent that (i) each of them has the full capacity to make the representations, warranties and undertakings contained in the Undertakings; (ii) the representations, warranties and undertakings contained in the Undertakings constitute valid, binding and enforceable obligations on each of them in accordance with its terms; (iii) the making of the representations, warranties and undertakings contained in the Undertakings does not contravene any law, regulation or authorisation binding on each of them; and (iv) each of them shall not circulate the Undertakings to any third parties without the Company’s prior consent;
- (f) acknowledge that the Company is not obliged to proceed with the Rights Issue and the Company shall have the right to vary any of the terms of the Rights Issue and that the Undertakings will remain in force notwithstanding such variation and that the final terms and conditions of the Rights Issue will be set out in the Offer Information Statement and the accompanying documents to be issued in connection with the Rights Issue, and confirm that the Undertakings will remain in full force and effect notwithstanding such variation;
- (g) acknowledge and accept that no representation or warranty is given by the Company or any company in the Group or the Sponsor in relation to, or in connection with the merits or otherwise of the Rights Issue or timing thereof, the Rights Shares, the subscription thereof, or as to the Shares, the Company and its subsidiaries (including their respective financial or other conditions);
- (h) they shall procure the doing of all such acts, provide all such information, confirmations, undertakings and certificates and execute or procure the execution of all such documents as may be necessary and/or pursuant to any requirements of the SGX-ST, the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority, the Securities Industry Council (“**SIC**”) and/or any other regulatory authorities in Singapore, (in each case) in relation to the Rights Issue and all the matters set out in paragraphs (a) and (b) above; and
- (i) they shall indemnify and hold harmless the Company from and against any and all losses, liabilities, damages, costs, charges, expenses (including legal fees on a full indemnity basis) and taxes, claims, actions, demands or judgment which are suffered or incurred by or which are instituted, made or alleged against the Company by reason of or in connection with any breach or default of their obligations set out in paragraphs (a) to (c) above (excluding any breach or default of their obligations in paragraph (h) above which has been rectified within three (3) business days from the date of written notification of such breach or default to them), and shall pay to the Company on demand an amount equal to all costs, charges and expenses (including legal fees on a full indemnity basis) which the Company may pay or incur in connection with investigating, disputing or defending any such claims or losses (whether

actual, pending or threatened and whether or not the Company is or may be a party to any such claims).

The Undertakings are conditional upon the following:

- (a) The Whitewash Waiver (as defined below) granted by the SIC not having been withdrawn or revoked as at the date of completion of the Rights Issue;
- (b) The Rights Issue, including the allotment and issue of the Rights Shares, being approved by Shareholders at the SGM;
- (c) The Whitewash Resolution (as defined below) being approved by independent Shareholders at the SGM;
- (d) listing and quotation notice having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the Rights Issue) for the listing of and quotation for the Rights Shares on the Catalist of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (e) The lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.

The Rights Shares to be issued to the JIGL, RWL and Ong Chor Wei pursuant to the Undertakings may result in an obligation on the part of the JIGL Group or the RWL Group and their respective concert parties to make a take-over under Rule 14 of Code. In this regard, the Company will seek the approval of (i) the SIC for granting a waiver of their respective obligations to make a mandatory general offer under the Code, for all the Shares not owned or controlled by the JIGL Group or the RWL Group and parties acting in concert with each of them (the “**Whitewash Waiver**”) and (ii) the approval of a whitewash resolution from independent Shareholders for the waiver of their right to receive such a mandatory offer from the JIGL Group or RWL Group or parties acting in concert with each of them (the “**Whitewash Resolution**”) and such other conditions that the SIC may impose which are reasonably acceptable to the Company.

4. PURPOSE OF RIGHTS ISSUE AND USE OF PROCEEDS

On 15 May 2015, the Company announced the setting up of a new financing business unit for the provision of loans to corporate and individual borrowers in Hong Kong (the “**Financing Business**”). Under its Financing Business, the Group would provide loans to corporate borrowers, including short-term loans and expansion and acquisition financing. The Group would also provide loans to individuals, which will typically be secured by a first or second mortgage on the properties provided by the borrower or a third party. The Company intends to undertake the Rights Issue to strengthen its cash position and statement of financial position and use the net proceeds of the Rights Issue (the “**Net Proceeds**”) for the Financing Business as well as general working capital purposes. The Directors believe that the Rights Issue will strengthen the balance sheet and provide flexibility as the Group pursues its growth strategies.

Based on the Issue Price and Existing Share Capital and assuming the Maximum Scenario, the Rights Issue will raise approximately S\$8.50 million and the Net Proceeds, after deducting estimated expenses of approximately S\$0.34 million, will amount to approximately S\$8.16 million.

Based on the Issue Price and Existing Share Capital and assuming the Minimum Scenario, the Rights Issue will raise approximately S\$4.23 million and the Net Proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.21 million, will amount to approximately S\$4.01 million.

The table below sets out the scenarios for the proposed utilisation of the Net Proceeds by the Company, based on two different assumptions: (1) Maximum Scenario and (2) Minimum Scenario and based on the Existing Share Capital:

Based on Existing Share Capital

Use of Proceeds	Maximum Scenario		Minimum Scenario	
	Amount (S\$'000)	Percentage of Proceeds	Amount (S\$'000)	Percentage of Proceeds
To fund the Financing Business of the Company	6,530	80%	3,211	80%
To fund the working capital of the Group	1,632	20%	803	20%
Total	8,162	100%	4,014	100%

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

After taking into consideration the cost of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors decided that it is not feasible and practicable for the Rights Issue to be underwritten by a financial institution.

The Company will make periodic announcements on the utilisation of the proceeds of the Rights Issue, as and when the funds from the Rights Issue are disbursed or utilised and provide the status of the use of proceeds in the annual report. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report.

5. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

The Company proposes to provisionally allot the Rights Shares to Entitled Shareholders (comprising Entitled Depositors, Entitled Scripholders and excluding Foreign Shareholders, as defined below) under the Rights Issue.

(A) Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date (the "Entitled Depositors") will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date.

To be "Entitled Depositors", depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with their registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days

prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

(B) Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Books Closure Date (the "**Entitled Scripholders**") will be provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be "Entitled Scripholders", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

(C) Foreign Shareholders

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, by 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefore by the Foreign Shareholders will be valid.

As the Rights Issue is made on a non-renounceable basis, Entitled Shareholders will not be able to trade their provisional allotments of Rights Shares. In addition the Company will not be able to arrange for provisional allotments of Rights Shares which would have otherwise have been provisionally allotted to Foreign Shareholders to be sold on the SGX-ST and apply the net proceeds from all such sales for distribution to Foreign Shareholders.

6. INDEPENDENT FINANCIAL ADVISER

The Company has appointed SAC Capital Private Limited as the independent financial adviser ("**IFA**") to advise the Directors who are deemed independent for the purpose of the Whitewash Resolution in connection with the Whitewash Resolution.

7. APPROVALS

The proposed Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the Whitewash Waiver having been granted;
- (b) Shareholders' approval for the Rights Issue being obtained at the SGM;

- (c) Independent Shareholders' approval for the Whitewash Resolution being obtained at the SGM;
- (d) the listing and quotation notice having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the Rights Issue) for the listing of and quotation for the Rights Shares on the Catalist of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (e) the lodgment of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.

The Circular, containing further information on the Rights Issue, will be despatched to Entitled Shareholders in due course.

The Sponsor will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the SGX-ST.

The Offer Information Statement will also be lodged with the SGX-ST and despatched to Entitled Shareholders in due course after, *inter alia*, obtaining the listing and quotation notice of the SGX-ST.

Announcements in relation to the above application, lodgement and despatch will be made in due course, as and when appropriate.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial Shareholders, as well as their respective associates, has any interest, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company).

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes true and fair disclosure of all material facts about the Rights Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Lau Chor Beng, Peter
Managing Director

8 March 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, 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 Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by 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.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65)6229 8088.