

JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration Number 38991)

PROPOSED CHANGE OF AUDITORS

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 proposes to change the current joint external auditors of the Company, HLB Hogdson Impey Cheng Limited, Hong Kong (“**HLB**”) and Foo Kon Tan LLP, Singapore (“**FKT**”) to Baker Tilly TFW LLP (“**Baker Tilly**”) (the “**Proposed Change of Auditors**”).

PROPOSED CHANGE OF AUDITORS

At the last annual general meeting (“**AGM**”) of the Company held on 26 April 2018, the shareholders of the Company (“**Shareholders**”) approved the re-appointment of HLB and FKT as joint external auditors of the Company until the conclusion of the next AGM of the Company.

HLB and FKT have been appointed as joint external auditors of the Company since the financial year ended 31 December 2016, and have served as the joint external auditors of the Company for two (2) consecutive audits.

Following the completion of the disposal of the Group’s jewellery and metal gift business division during the financial year ended 31 December 2017, the Group’s scale of operations had significantly decreased. As part of the Company’s efforts in managing business costs and operating expenses in light of the reduced scale of operations, the Company has had several discussions with HLB and FKT in relation to the quantum of professional fees for the audit services proposed by HLB and FKT in respect of the financial year ending 31 December 2018 (“**FY2018**”). However, the Company, HLB and FKT were not able to reach a consensus on the quantum of professional fees.

The Board, having considered various factors, including but not limited to the opinion and recommendation of the Audit Committee of the Company, and the requirements of Rules 712 and 715 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), is of the view that the quantum of professional fees for the audit services proposed by Baker Tilly is competitive, and that Baker Tilly will be able to meet the audit requirements of the Group. In addition, the Board noted that the scope of audit services proposed by Baker Tilly is comparable to the audit services previously provided by HLB and FKT. Therefore, the Company will be able to realise certain cost savings in audit fees without any reduction in the scope of audit. The Proposed Change of Auditors will also enable the Company to benefit from fresh perspectives and views of another professional audit firm and thereby enhance the value of the audit. Accordingly, the Board is of the view that it would be in the best interests of the Company to effect a change of external auditors of the Company to Baker Tilly for the audit of the consolidated financial statements of the Company for FY2018.

The Company had, on 14 August 2018, given notice in writing of an intention to nominate Baker Tilly to the office of external auditors of the Company and sent a copy of such notice to HLB and FKT pursuant to Section 89(3) of the Companies Act 1981 of Bermuda (the “**Bermuda Companies Act**”).

HLB and FKT had, on 30 August 2018, provided the Company with their respective notices of resignation dated 30 August 2018 stating, among others, the reasons for their resignation as joint external auditors of the Company. In addition, HLB and FKT had, on 30 August 2018, confirmed to Baker Tilly, via their respective professional clearance letters dated 30 August 2018, that they are not aware of any professional reasons why Baker Tilly should not accept the appointment as external auditors of the Company, and have issued to Baker Tilly written statements on 30 August 2018 of the

circumstances and the reasons why, in their opinion, they are to be replaced in accordance with Section 89(3A) of the Bermuda Companies Act. Accordingly, the resignation of HLB and FKT as joint external auditors of the Company took effect on 30 August 2018.

In connection with the above, Baker Tilly had, on 30 August 2018, given to the Company, via a letter dated 30 August 2018, its written consent to act as external auditors of the Company, subject to the approval of Shareholders at a special general meeting ("**SGM**") to be convened for the Proposed Change of Auditors.

Pursuant to Rule 712(3) of the Catalist Rules, the appointment of Baker Tilly as external auditors of the Company in place of HLB and FKT must be specifically approved by Shareholders in a general meeting. The appointment of Baker Tilly as external auditors of the Company will therefore take effect upon approval of the same by Shareholders at the SGM to be convened for the Proposed Change of Auditors and, if appointed, Baker Tilly will hold office until the conclusion of the next AGM of the Company.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) HLB and FKT have confirmed to Baker Tilly, via their respective Professional Clearance Letters dated 30 August 2018, that they are not aware of any professional or other reasons why Baker Tilly should not accept the appointment as external auditors of the Company;
- (b) the Company confirms that there were no disagreements with HLB and FKT on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this announcement;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in paragraphs 4 and 5 of this announcement. The Proposed Change of Auditors is neither due to the dismissal of HLB and FKT, nor HLB and FKT declining to stand for re-appointment; and
- (e) the Company confirms that it complies with Rule 712 and Rule 715 of the Catalist Rules in relation to the proposed appointment of Baker Tilly as its new external auditors.

The Board would like to take this opportunity to express its appreciation to HLB and FKT for past services rendered.

CIRCULAR

A circular to Shareholders containing further details on the Proposed Change of Auditors, together with the notice of SGM, will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Cheung King Kwok
Independent Non-Executive Chairman

31 August 2018

*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 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 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.

The contact person for the Sponsor is Ms Tan Pei Woon, Senior Manager, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).