

Joyas International Holdings Limited

(Incorporated in Bermuda)
(Company Registration Number 38991)

DISPOSAL OF 51% OF EQUITY INTEREST IN TOPPING TACT LIMITED

Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the announcement dated 13 July 2021.

1. 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 on 27 January 2022, the Company through its wholly-owned subsidiary, Asiapac Growth Holdings Limited (“**Asiapac**”), entered into a bought and sale note (“**Bought and Sale Note**”) with Lo Siu Mei Juanna (the “**Purchaser**”) to dispose 5,100 ordinary shares (“**Sale Shares**”) in the share capital of Topping Tact Limited (“**TTL**”) representing 51% of the total issues and paid-up share capital of TTL (the “**Disposal**”) at a consideration of HK\$100,000 (equivalent to approximately S\$17,271 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) (the “**Consideration**”). Pursuant to a supplemental agreement entered into between the Purchaser and Asiapac on 27 January 2022 (the “**Supplemental Agreement**”), the transfer of beneficial interest shall take effect from 30 December 2021 to minimise professional expenses including but not limited to audit and legal works associated with the business prior to the financial year end.

Following the completion of the Disposal and transfer of beneficial interest, TTL ceased to be a subsidiary of Asiapac and an indirect subsidiary of the Company with effect from 30 December 2021.

2. Information on TTL

Topping Tact Limited is a private company limited by shares incorporated in the Hong Kong Special Administrative Region on 19 July 2017 and has a total issued and paid-up share capital of HK\$10,000 (equivalent to approximately S\$1,742 based on an exchange rate of S\$1 : HK\$5.74 as at 12 July 2021).

TTL’s principal business activity is in forex investment.

3. Information on the Purchaser

The information on the Purchaser below was provided to the Company by the Purchaser. 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.

The Purchaser is 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, the Purchaser does not have any interest in the shares of the Company.

4. Consideration

The consideration for the Disposal was HK\$100,000 (equivalent to S\$17,271 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022)) which was satisfied in cash.

The Consideration was arrived at on a willing-buyer-willing-seller basis, taking into consideration of the issued share capital of TTL and net tangible asset value of TTL.

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 September 2021, the fair value gain attributable to the Sale Shares was approximately HK\$36,000 (equivalent to approximately S\$6,218 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) and there will and an estimated gain of HK\$36,000 (equivalent to approximately S\$6,218 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) on the Disposal.

5. Value of the Sale Shares

The net tangible asset value and book value (being the total assets less total liabilities) based on the management accounts of TTL as at 30 December 2021 was approximately HK\$78,000 (equivalent to approximately S\$13,472 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022). The share of net tangible asset of the 51% Sale Shares was equivalent to approximately HK\$39,780 (equivalent to approximately S\$6,870 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022).

Based on the management accounts of TTL as at 30 December 2021, the fair value gain attributable to the Sale Shares was approximately HK\$36,000 (equivalent to approximately S\$6,218 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) and there will and an estimated gain of HK\$36,000 (equivalent to approximately S\$6,218 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) on the Disposal.

The Disposal represents an excess of approximately HK\$61,000 (equivalent to approximately S\$10,535 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) over the book value and net tangible asset value of the Sale Shares.

No valuation was commissioned by the Company in respect of the Disposal as it was not cost viable.

6. Rationale for the Disposal

During the year ended 31 December 2021, there were reduced profits from the forex investments undertaken by TTL as compared to the three months ended 30 September 2021 due to weaknesses in the proprietary software to respond to wide fluctuation in the forex investment. This resulted in a reduction in the amount of loan available from the regulated fund-based investor in Hong Kong to finance the forex investments under the Loan Agreement. The impact to TTL in terms of losses for the three months ended 31 December 2021 was relatively small as most of the losses have been borne by CNI in accordance with the terms of the Joint Cooperation Agreement, TTL's investors by way of gross returns under the Loan Agreement and KNF by way of gross returns under the License Agreement. Nevertheless, as the amount of loan available for the forex investments has reduced and it would take some time to raise additional loans, the share of return by TTL from forex investments to the Group going forward is expected to reduce significantly.

Although the losses incurred by TTL so far were borne by CNI in accordance with the terms of the Joint Cooperation Agreement, there were and will be administrative costs such as audit and professionals costs which the Group has to incur in order to continue operating TTL as a subsidiary of the Group.

As the share of return by TTL is expected to reduce significantly mainly due to lower loan amount to finance the forex investments and there will be administrative costs to be incurred by the Group, the Board is of the view that it is not economically viable for TTL to remain in the Group.

7. Intended Use of Proceeds

The estimated net proceeds from the Disposal, after deducting estimated expenses to be incurred

in connection with the Disposal of approximately HK\$100,000 (approximately S\$17,271 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022), is approximately HK\$100,000 (approximately S\$17,271 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) (the “**Net Proceeds**”).

The Company intends to utilise the Net Proceeds for working capital purposes.

8. Joint Cooperation with Cloud Network International Ltd

Following the Disposal, the Joint Cooperation Agreement will be terminated and the nominee director appointed by Asiapac on the board of TTL, namely Mr Ong Chor Wei, will resign as a director of TTL in due course. Mr Long Zhenhua will remain as a director of TTL.

9. Financial Effects of the Disposal

The financial effects of the Disposal on the net tangible asset (“**NTA**”) per share and the earnings per share (“**EPS**”) of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“**FY2020**”).

For illustrative purpose, the financial effects of the Disposal have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Disposal was completed on 31 December 2020;
- (b) the financial effects on the EPS of the Group are computed assuming that the Disposal was completed on 1 January 2020; and
- (c) the costs and expenses in connection with the Disposal shall be disregarded.

Financial Effects on the NTA per share of the Group

	Before completion of the Disposal	After completion of the Disposal
NTA as at 31 December 2020 (HK\$'000)	11,629	11,665
Number of Shares in the Company, excluding treasury shares and subsidiary holdings	2,213,776,973	2,213,776,973
NTA per Share (HK\$ cents)	0.52	0.52

Financial Effects on the EPS of the Group

	Before completion of the Disposal	After completion of the Disposal
Net earnings for the FY2020 (HK\$'000)	(2,450)	(2,414)
Weighted average number of Shares in the Company, excluding treasury shares and subsidiary holdings	2,213,776,973	2,213,776,973
EPS of the Group (HK\$ cents)	(0.11)	(0.11)

10. Relative Figures under Rule 1006 of the Catalyst Rules

The relative figures computed on the bases set out in Catalyst Rule 1006 for the Disposal are as follows:

Catalist Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ⁽¹⁾	0.37% ⁽²⁾
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽³⁾	(7.38)% ⁽⁴⁾
Catalist Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	0.19% ⁽⁵⁾
Catalist Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
Catalist Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁶⁾

Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) Based on the net asset value of the Sale Shares as at 30 December 2021 of approximately HK\$40,000 (equivalent to approximately S\$6,900 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) which represents approximately 0.37% of the Group's net asset value of approximately HK\$10,763,000 (equivalent to approximately S\$1,859,000 as at 30 September 2021 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022).
- (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Based on the management accounts of TTL for the period ended 30 December 2021, the net profit attributable to the Sale Shares, representing 51% of the issued share capital of TTL, was approximately HK\$61,000 (equivalent to approximately S\$10,500 based on an exchange rate of S\$1 : HK\$5.79 as at 26 January 2022) which represents approximately (7.38)% of the Group's net loss of approximately HK\$827,000 (equivalent to approximately S\$143,000 based on an exchange rate of

S\$1 : HK\$5.79 as at 26 January 2022) before income tax and non-controlling interests for the nine months ended 30 September 2021.

- (5) The Consideration is HK\$100,000 (equivalent to approximately S\$17,300). The Consideration expressed as a percentage of the Company's market capitalisation of approximately HK\$51.7 million (equivalent to approximately S\$8.9 million based on an exchange rate of S\$1 : HK\$5.79 on 26 January 2022). The Company's market capitalisation was determined by multiplying the number of shares in issue (2,213,776,973 ordinary shares) by the weighted average price of HK\$0.023 (equivalent to approximately S\$0.04 based on an exchange rate of S\$1 : HK\$5.79) of such shares transacted on 25 January 2022.
- (6) The Company is not a mineral, oil and gas company.

Rule 1007(1) of the Catalist Rules provides, *inter alia*, that if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules.

Paragraph 4.4(d) of Practice Note 10A states that an issuer is required to immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, in relation to a disposal of a profitable asset by a loss-making issuer, where: (i) the absolute relative figure computed on the basis of each of Rule 1006(a) and Rule 1006(c) does not exceed 50%; and (ii) the net profit attributable to the asset to be disposed of and, if the disposal will result in a loss on disposal, the sum of such net profit and the loss on disposal, exceeds 5% but does not exceed 10% of the consolidated net loss of the issuer (in each case taking into account only the absolute value).

The absolute relative figures computed on the basis of Rule 1006(a) and Rule 1006(c) does not exceed 50%, and based on the relative figures computed on the basis of Rule 1006(b), the net profit attributable to the Sale Shares to be disposed of, exceeds 5% but does not exceed 10% of the consolidated net loss of the Group as at 30 September 2021. Accordingly, the Company has set out the relevant information required in Rule 1010 and Rule 1011 of the Catalist Rules in this announcement. Rule 1012 and Rule 1013 is not applicable to the Disposal.

11. Documents available for Inspection

A copy of the Bought and Sale Note and the Supplemental Agreement will be made available for inspection during normal business hours at the registered office of the Company at 35 Selegie Road #10-25 Singapore 188307 for a period of 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 these documents 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.

12. Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Disposal and no service contracts in relation thereto is proposed to be entered into by the Company.

13. Director's and Controlling Shareholders' Interests

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal other than through their respective shareholdings in the Company.

By Order of the Board
Joyas International Holdings Limited

Vincent Cheung Chun Wai
Executive Director

31 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.