

CIRCULAR DATED 10 APRIL 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Joyas International Holdings Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Special General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular 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 Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

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).



JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration Number 38991)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE JOYAS SHARE OPTION SCHEME**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE JOYAS SHARE OPTION SCHEME**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	24 April 2018 at 10.30 a.m.
Date and time of Special General Meeting	:	26 April 2018 at 10.30 a.m. (or as soon as practicable immediately following the conclusion of or adjournment of the Annual General Meeting of the Company held on the same day and at the same place at 9.30 a.m.)
Place of Special General Meeting	:	1 Robinson Road, #18-00 AIA Tower, Singapore 048542

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

- “Act”* : The Companies Act 1981 of Bermuda, as may be amended or modified from time to time
- “Associate”* : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board” or “Board of Directors”* : The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
- “Catalist”* : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”* : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended or modified from time to time
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular to Shareholders dated 10 April 2018 in respect of, among others, the proposed adoption of the Joyas Share Option Scheme
- “Committee”* : The Remuneration Committee of the Company from time to time
- “Company”* : Joyas International Holdings Limited
- “Controlling Shareholder”* : A person who:
- (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company
- “Date of Grant”* : The date on which an Option is granted to an eligible participant under the Joyas Share Option Scheme in accordance with the rules of the Joyas Share Option Scheme

DEFINITIONS

<i>“Director”</i>	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
<i>“Exercise Price”</i>	:	The price at which an eligible participant shall subscribe for each Share upon the exercise of an Option as determined in accordance with the rules of the Joyas Share Option Scheme
<i>“Group”</i>	:	The Company and its subsidiaries collectively
<i>“Joyas Share Option Scheme”</i>	:	The share option scheme of the Company to be adopted, as may be amended or modified from time to time
<i>“Latest Practicable Date”</i>	:	3 April 2018, being the latest practicable date prior to the printing of this Circular
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for securities trading
<i>“Market Price”</i>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent
<i>“Memorandum”</i>	:	Memorandum of association of the Company, as may be amended or modified from time to time
<i>“Notice of SGM”</i>	:	The notice of SGM which is set out on page N-1 of this Circular
<i>“Offer Date”</i>	:	The date on which an offer to grant an Option is made in accordance with the rules of the Joyas Share Option Scheme
<i>“Option(s)”</i>	:	The right to subscribe for Shares granted pursuant to the Joyas Share Option Scheme in accordance with the rules of the Joyas Share Option Scheme
<i>“Ordinary Resolutions”</i>	:	The ordinary resolutions as set out in the Notice of SGM
<i>“Proxy Form”</i>	:	The proxy form in respect of the SGM as set out in this Circular
<i>“Securities Accounts”</i>	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
<i>“SFA”</i>	:	The Securities and Futures Act, Cap. 289, of Singapore, as may be amended or modified from time to time
<i>“SGM”</i>	:	The special general meeting of the Company to be held on 26 April 2018 at 10.30 a.m. (or as soon as practicable immediately following the conclusion of or adjournment of the Annual General Meeting of the Company held on the same day and at the same place at 9.30 a.m.), notice of which is set out on page N-1 of this Circular
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Shareholders” : The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited

“Shares” : Ordinary shares in the capital of the Company

“Sponsor” : PrimePartners Corporate Finance Pte. Ltd.

“Substantial Shareholder” : A person who has an interest or interests in voting Shares in the Company representing not less than 5% of all the voting Shares

“%” : Per centum or percentage

Currencies

“S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “associated company” and “subsidiary” shall have the same meanings ascribed to them respectively in the Catalist Rules and the Act, as the case may be.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context requires otherwise.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to “persons” shall, where applicable, include corporations.

Any reference to a time of day or date in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration Number 38991)

Board of Directors:

Cheung King Kwok	(Independent Non-Executive Chairman)
Ong Chor Wei	(Non-Independent Non-Executive Deputy Chairman)
Lau Chor Beng, Peter	(Managing Director and Executive Director)
Kwok Chin Phang	(Non-Independent Non-Executive Director)
Lim Siang Kai	(Independent Non-Executive Director)

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

10 April 2018

To: The Shareholders of Joyas International Holdings Limited

Dear Sir/Madam

- (1) THE PROPOSED ADOPTION OF THE JOYAS SHARE OPTION SCHEME**
 - (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE JOYAS SHARE OPTION SCHEME**
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1. INTRODUCTION

1.1 SGM

The Directors are convening an SGM on 26 April 2018 to seek Shareholders' approval for, among others, the proposed adoption of the Joyas Share Option Scheme.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, among others, the proposed adoption of the Joyas Share Option Scheme. Shareholders' approval will be sought at the SGM to be held on 26 April 2018 at 10.30 a.m. (or as soon as practicable immediately following the conclusion of or adjournment of the Annual General Meeting of the Company held on the same day and at the same place at 9.30 a.m.), notice of which is set out on page N-1 of this Circular.

The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

1.3 Additional listing application

An additional listing application will be made by the Sponsor to the SGX-ST, on behalf of the Company, for the listing of and quotation for the new Shares to be allotted and issued upon the exercise of the Options granted under the Joyas Share Option Scheme on the Catalist. An announcement of the receipt of the listing and quotation notice in relation to the new Shares (including the conditions that may be required to be fulfilled) will be made in due course when the listing and quotation notice is obtained.

2. THE PROPOSED ADOPTION OF THE JOYAS SHARE OPTION SCHEME

2.1 Introduction

The Company had in place a share option scheme (the "**Joyas Share Option Scheme 2007**") which was adopted at a special general meeting of the Company held on 21 December 2007. The duration of the Joyas Share Option Scheme 2007 was 10 years from the date that it was adopted.

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The Joyas Share Option Scheme 2007 had accordingly expired and lapsed on 21 December 2017. The Company is proposing to adopt a new scheme, known as the Joyas Share Option Scheme, to replace the Joyas Share Option Scheme 2007. Save for the Joyas Share Option Scheme 2007 which has expired and lapsed, the Company did not and currently does not have any other share option or share scheme in force.

Details relating to the Joyas Share Option Scheme 2007 are set out below:

- (i) Total number of Shares reserved under the Joyas Share Option Scheme 2007: 41,000,000, representing the outstanding options under the Joyas Option Scheme 2007 which is exercisable into 41,000,000 new Shares
- (ii) Total number of Shares allotted and issued under the Joyas Share Option Scheme 2007: Nil
- (iii) Number of participants granted options under the Joyas Share Option Scheme 2007: 4
- (iv) Material conditions to which the options granted under the Joyas Share Option Scheme 2007 are subject: Nil

Details of options granted to Directors under the Joyas Share Option Scheme 2007 are set out below:

Name of participant	Date options were granted	Number of Shares offered under the options	Number of Shares allotted and issued upon exercise of options
Directors			
Cheung King Kwok	25 May 2015	1,500,000	–
	19 Aug 2016	8,000,000	–
Ong Chor Wei	25 May 2015	3,000,000	–
Lim Siang Kai	25 May 2015	1,500,000	–
	19 Aug 2016	8,000,000	–
Kwok Chin Phang	25 May 2015	3,000,000	–
	19 Aug 2016	16,000,000	–

Save for Ong Chor Wei, who is a Controlling Shareholder, there were no options granted to Controlling Shareholders and their Associates under the Joyas Share Option Scheme 2007.

2.2 Rationale for the proposed adoption of the Joyas Share Option Scheme

The objective of the Joyas Share Option Scheme is to provide an opportunity for employees and directors of the Group who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company and inculcate in all participants a stronger and more lasting sense of identification with the Company. The Joyas Share Option Scheme seeks to attract, retain and provide incentives to participants to encourage greater dedication and loyalty by enabling the Company to provide recognition for past contributions and services. The Company believes that this, in turn, will help to motivate participants generally to contribute towards the Company's long-term success. The Joyas Share Option Scheme will help to achieve the following positive objectives:

- (i) to motivate participants to perform at an optimal level of efficiency and to maintain a high level of contribution to the Group;

LETTER TO SHAREHOLDERS

- (ii) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (iii) to instil loyalty and a strong sense of identity in the participants to motivate participants to contribute to the long-term growth and prosperity of the Group;
- (iv) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (v) to align the interests of participants with the interests of Shareholders.

2.3 Participation by Controlling Shareholders and Associates of Controlling Shareholders

The purpose of the participation of Controlling Shareholders and Associates of Controlling Shareholders in the Joyas Share Option Scheme is to provide an opportunity for eligible employees who are Controlling Shareholders or Associates of Controlling Shareholders who have contributed or continue to contribute significantly to the growth and performance of the Group to participate in the equity of the Company.

The Company acknowledges that the contributions and services of employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders are equally important to the Company's long-term success. Accordingly, the Company believes that all employees (including employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders) should be treated fairly and equally and should be equally entitled to participate in the Joyas Share Option Scheme. The Company is of the view that employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders should be remunerated for their contributions to the Group on the same basis as other eligible employees who are not Controlling Shareholders or Associates of Controlling Shareholders. They should not be excluded from participating in the Joyas Share Option Scheme solely for the reason that they are Controlling Shareholders and Associates of Controlling Shareholders.

Rule 852 of the Catalist Rules states that participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options granted to that participant. Accordingly, the Controlling Shareholders and Associates of Controlling Shareholders shall abstain from voting on any resolution in relation to their participation in the Joyas Share Option Scheme and grant of Options to them. Given the foregoing, the Company is of the view that there are sufficient safeguards against any abuse of the Joyas Share Option Scheme resulting from the participation of employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders.

2.4 Participation by Non-Executive Directors

The extension of the Joyas Share Option Scheme to the Non-Executive Directors allows the Company to have a fair and equitable system that recognises and benefits not only persons who are in the direct employment of the Group but also persons who are not employed but nevertheless work closely with the Company and/or are in the position to contribute their experience, knowledge and expertise to the development and success of the Company. Although the Non-Executive Directors are not involved in the day-to-day running of the Company, they are nonetheless in a position to provide valuable support, input and business contacts and to contribute their experience, knowledge and expertise, and/or to provide the Company with strategic business alliances and opportunities.

Guideline 8.3 of the Code of Corporate Governance 2012 states, among others, that the remuneration committee should consider implementing schemes to encourage non-executive directors to hold shares in the company so as to better align the interests of such non-executive directors with the interests of shareholders.

LETTER TO SHAREHOLDERS

The Company believes that including Non-Executive Directors in the Joyas Share Option Scheme gives the Company an additional instrument will recognise their past contributions and services, and help to motivate them generally to contribute towards the Company's long-term success. The Company is also of the view that as the Non-Executive Directors play an important role in providing entrepreneurial leadership and setting strategic aims for the Group, it is crucial for the Company attract, retain and provide incentives to Non-Executive Directors, in particular granting Options to them so that they may hold Shares in the Company so as to better align their interests with the interests of Shareholders.

For the purpose of assessing the contributions of the Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors. In addition, the Committee will also consider the scope of advice given, the number of contacts and size of deals which the Company is able to procure from the contacts and recommendations of the Non-Executive Directors. The Non-Executive Directors will be granted Options at the discretion of the Committee. The Committee may also decide that no Options shall be granted in any financial year.

As a safeguard against abuse, Non-Executive Directors (including Independent Non-Executive Directors) will abstain from making any recommendation as a Director and abstain from voting on any resolution in relation to their participation in the Joyas Share Option Scheme and grant of Options to them .

2.5 Summary of the Joyas Share Option Scheme

Eligibility

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Joyas Share Option Scheme:

- (i) any confirmed employee of the Group (including any a Director of the Company and/or a director of the Company's subsidiaries, as the case may be, who performs an executive function) selected by the Committee to participate in the Joyas Share Option Scheme in accordance with the rules of the Joyas Share Option Scheme ("**Group Employee**"); and
- (ii) Directors of the Company (including Non-Executive Directors),

provided that, as at the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

Exercise Price

The Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee on the Date of Grant at (i) the Market Price; or (ii) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST) and shall be approved by the Shareholders at a general meeting in a separate resolution for making offers and grants of Options under the Joyas Share Option Scheme at a discount not exceeding the maximum discount of 20% of the Market Price.

The Company believes that the ability to grant Options at a discount to the Market Price gives the Company flexibility in structuring the Options. The Company is of the view that granting Options with an Exercise Price set at a discount to the Market Price may be a more compelling incentive to attract and retain participants in certain situations as compared to paying participants cash bonuses given the potential capital appreciation of Shares allotted and issued pursuant to such Options.

LETTER TO SHAREHOLDERS

In making any determination on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (i) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (ii) the years of service and individual performance of the eligible participant;
- (iii) the contribution of the eligible participant to the success and development of the Company and/or the Group; and
- (iv) the prevailing market and economic conditions.

Size of the Joyas Share Option Scheme

The Company believes that in order to enjoy greater flexibility in structuring remuneration and compensation packages, it should have a sufficient number of Shares to accommodate the Options granted under the Joyas Share Option Scheme.

The aggregate number of Shares over which Options may be granted on any date under the Joyas Share Option Scheme, when added to the number of Shares allotted and issued and/or allottable and issuable in respect of (i) all Options granted under the Joyas Share Option Scheme; and (ii) all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed 15% of the total issued Shares excluding treasury shares and subsidiary holdings in the Company from time to time.

In addition, the aggregate number of Shares over which Options may be granted under the Joyas Share Option Scheme to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Joyas Share Option Scheme, and the number of Shares over which an Option may be granted under the Joyas Share Option Scheme to each Controlling Shareholder or each of their Associates shall not exceed 10% of the Shares available under the Joyas Share Option Scheme.

The Company is of the view that the limit of 15% of the total issued Shares excluding treasury shares and subsidiary holdings in the Company will enable the Company to grant a sufficient number of Options to eligible participants to create meaningful remuneration and compensation packages to recognise past contributions and services of such participants.

2.6 Reporting requirements

Rule 704(32) of the Catalist Rules states that an issuer must immediately announce any grant of options or shares. The announcement must be made on the date of grant and provide details of the grant, including the following:

- (i) date of grant;
- (ii) exercise price of options granted;
- (iii) number of options or shares granted;
- (iv) market price of its securities on the date of grant;
- (v) number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and
- (vi) validity period of the options.

LETTER TO SHAREHOLDERS

In addition, the Company shall, for so long as the Joyas Share Option Scheme continues in operation, make the following disclosure in its annual report:

- (i) the names of the members of the Committee administering the Joyas Share Option Scheme;
- (ii) the information required in the table below for the following participants (which for avoidance of doubt, shall include participants who have exercised all their Options in any particular financial year):
 - (a) participants who are Directors of the Company;
 - (b) participants who are Controlling Shareholders and their Associates; and
 - (c) participants, other than those in (a) and (b) above, who receive 5% or more of the total number of Options available under the Joyas Share Option Scheme;

Name of participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of Joyas Share Option Scheme to end of financial year under review	Aggregate Options exercised since commencement of Joyas Share Option Scheme to end of financial year under review	Aggregate Options outstanding as at the end of financial year under review

- (iii) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted, which is 20% of the Market Price; and
- (iv) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

2.7 Rules of the Joyas Share Option Scheme

The rules of the Joyas Share Option Scheme are set out in Appendix A to this Circular.

3. FINANCIAL EFFECTS OF THE JOYAS SHARE OPTION SCHEME

3.1 Share capital

The Joyas Share Option Scheme will result in an increase in the number of issued Shares in the Company to the extent that new Shares are allotted and issued upon the exercise of the Options. The number of new Shares allotted and issued will depend on, among others, the number of new Shares comprised in the Options granted, the number of Options that are exercised, the average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST on the relevant Market Day (the “**Prevailing Market Price**”).

LETTER TO SHAREHOLDERS

3.2 Earnings per Share

Without taking into account earnings that may be derived by the Company from the use of proceeds from the allotment and issuance of new Shares pursuant to the exercise of Options granted under the Joyas Share Option Scheme, any new Shares allotted and issued pursuant to an exercise of Options granted under the Joyas Share Option Scheme will have a dilutive impact on the Company's earnings per Share following the increase in the number of issued Shares in the Company. However, the dilutive impact arising from the Joyas Share Option Scheme on the Company's earnings per Share is not expected to be material in any given financial year.

3.3 Net tangible assets

The allotment and issue of new Shares pursuant to an exercise of the Options will increase the Company's net tangible assets by the aggregate Exercise Price of the new Shares allotted and issued. On a per Share basis, the effect on the Company's net tangible assets is accretive if the Exercise Price is above the net tangible assets per Share but dilutive otherwise.

3.4 Potential cost to the Company arising from the grant of Options under the Joyas Share Option Scheme

All Options granted under the Joyas Share Option Scheme will have a fair value. In the event that the Exercise Price is below the fair value of the Options granted under the Joyas Share Option Scheme, there will be a cost to the Company.

If at the time an Option is exercised, the Exercise Price of the Options is less than the Prevailing Market Price of the Shares, there will be a reduction of the proceeds from the exercise of such Option as compared to the proceeds that the Company would have received if the exercise of such Option had been made at the Prevailing Market Price of the Shares. Such reduction would represent a monetary cost to the Company.

The grant of Options under the Joyas Share Option Scheme will also have an impact on the Company's reported profit / loss as share-based payments such as the grant of Options under the Joyas Share Option Scheme will be required to be recognised as an expense under the International Financial Reporting Standards. Such expense will be based on the fair value of the Share as at the Date of Grant and will be recognised over the Option Period (as defined in Appendix A to this Circular).

Shareholders should note that the potential cost to the Company arising from the grant of Options under the Joyas Share Option Scheme discussed in (i) above will only materialise upon the exercise of the relevant Options; and the potential cost to the Company arising from the grant of Options under the Joyas Share Option Scheme discussed in (ii) above will be recognised in the Company's reported profit / loss even if the Options are not exercised.

LETTER TO SHAREHOLDERS

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as recorded in the Company's Register of Directors' Shareholdings and the Company's Register of Substantial Shareholders respectively as at the Latest Practicable Date are set out below:

	Direct interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Cheung King Kwok	–	–	–	–	–	–
Ong Chor Wei ⁽²⁾	–	–	565,600,000	29.55	565,600,000	29.55
Lau Chor Beng, Peter ⁽³⁾	591	0.00	842,951,466	44.05	842,951,466	44.05
Kwok Chin Phang	114,766,000	6.00	–	–	114,766,000	6.00
Lim Siang Kai	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Reach Win Limited	560,000,000	29.26	–	–	560,000,000	29.26
Delton Group Limited ⁽²⁾	–	–	560,000,000	29.26	560,000,000	29.26
Cavendish Limited ⁽⁴⁾	–	–	560,000,000	29.26	560,000,000	29.26
Yung Fung Ping ⁽⁴⁾	–	–	560,000,000	29.26	560,000,000	29.26
Joyas Investments Group Limited ⁽³⁾	842,951,466	44.05	–	–	842,951,466	44.05

Notes:

- (1) Based on the Company's issued and paid-up share capital of 1,913,776,973 issued Shares excluding treasury shares and subsidiary holdings in the Company as at the Latest Practicable Date.
- (2) Delton Group Limited is a controlling shareholder of Reach Win Limited and is therefore deemed interested in the Shares held by Reach Win Limited. Ong Chor Wei is a director and has a 100% shareholding interest in Delton Group Limited, and is therefore deemed interested in the Shares held by Reach Win Limited. Ong Chor Wei is also deemed interested in the 5,600,000 Shares in the name of his nominee, Royal Bank of Canada (Singapore Branch).
- (3) Lau Chor Beng, Peter is a director and controlling shareholder of Joyas Investments Group Limited, and is therefore deemed interested in the Shares held by Joyas Investments Group Limited.
- (4) Cavendish Limited is a controlling shareholder of Reach Win Limited and is therefore deemed interested in the Shares held by Reach Win Limited. Yung Fung Ping is a director and has a 100% shareholding interest in Cavendish Limited, and is therefore deemed interested in the Shares held by Reach Win Limited.

LETTER TO SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in securities other than Shares as at the Latest Practicable Date are set out below:

	Number of Warrants ⁽¹⁾		Number of Convertible Bonds ⁽²⁾		Number of Options	
	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Directors						
Cheung King Kwok	–	–	–	–	9,500,000	–
Ong Chor Wei ⁽⁴⁾	–	–	–	179,037,000	3,000,000	–
Lau Chor Beng, Peter	–	–	–	–	–	–
Kwok Chin Phang	1,139,259	–	3,500,000	–	19,000,000	–
Lim Siang Kai	–	–	–	–	9,500,000	–
Substantial Shareholders (other than Directors)						
Reach Win Limited	–	–	–	–	–	–
Delton Group Limited	–	–	–	–	–	–
Cavendish Limited	–	–	–	–	–	–
Yung Fung Ping	–	–	–	–	–	–
Joyas Investments Group Limited	–	–	–	–	–	–

Notes:

- (1) The warrants were issued on 23 February 2015 and have an expiry date of 23 February 2021. Each warrant carries the right to subscribe for one (1) new Share at an exercise price of S\$0.07 per Share.
- (2) The convertible bonds were issued on 23 February 2015 and have a maturity date of 23 February 2020. Each convertible bond has a nominal value of S\$0.015 and may be converted into new Shares at a conversion price of S\$0.046 per Share.
- (3) On 25 May 2015, the Company granted options (“**May 2015 Options**”) under the Joyas Share Option Scheme 2007. The May 2015 Options were exercisable after the first (1st) anniversary of the date of grant and before the fifth (5th) anniversary of the date of grant at an exercise price of S\$0.03. On 19 August 2016, the Company granted options (“**August 2016 Options**”) under the Joyas Share Option Scheme 2007. The August 2016 Options were exercisable after the first (1st) anniversary of the date of grant and before the fifth (5th) anniversary of the date of grant at an exercise price of S\$0.0035.
- (4) Ong Chor Wei is deemed interested in the 179,037,000 convertible bonds held in the name of his nominee, Royal Bank of Canada (Singapore Branch).

5. DIRECTORS’ RECOMMENDATION

All Directors of the Company are eligible to participate in the Joyas Share Option Scheme and are therefore interested in the Joyas Share Option Scheme. Accordingly, the Directors have refrained from making any recommendation as to how the Shareholders should vote in respect of the Ordinary Resolutions relating to, among others, the proposed adoption of the Joyas Share Option Scheme.

6. ABSTENTION FROM VOTING

Rule 858 of the Catalist Rules states that shareholders who are eligible to participate in the scheme must abstain from voting on any resolution relating to the scheme (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer’s parent company and its subsidiaries).

LETTER TO SHAREHOLDERS

Accordingly, all persons (including Directors and employees who are also Shareholders, and Controlling Shareholders and their Associates) who are eligible to participate in the Joyas Share Option Scheme must abstain from voting on the Ordinary Resolutions relating to, among others, the proposed adoption of the Joyas Share Option Scheme at the SGM and shall also refrain from accepting nominations as proxy or otherwise vote at the SGM in respect of the Ordinary Resolutions relating to, among others, the proposed adoption of the Joyas Share Option Scheme unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be casted.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Joyas Share Option Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

8. SGM

The SGM, notice of which is set out on page N-1 of this Circular, will be held at 1 Robinson Road, #18-00 AIA Tower, Singapore 048542 on 26 April 2018 at 10.30 a.m. (or as soon as practicable immediately following the conclusion of or adjournment of the Annual General Meeting of the Company held on the same day and at the same place at 9.30 a.m.) for the purpose of considering and, if thought fit, passing, with or without any modification, the Ordinary Resolutions relating to, among others, the proposed adoption of the Joyas Share Option Scheme set out in the Notice of SGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore Registrar & Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for holding the SGM.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the SGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the SGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time fixed for holding the SGM.

LETTER TO SHAREHOLDERS

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's principal place of business in Singapore at 35 Selegie Road #10-25, Singapore 188307, during normal business hours from the date of this Circular up to and including the date of the SGM:

- (i) the Memorandum and Bye-Laws of the Company; and
- (ii) the rules of the proposed Joyas Share Option Scheme.

Yours faithfully,

For and on behalf of the Board of Directors of
JOYAS INTERNATIONAL HOLDINGS LIMITED

Cheung King Kwok
Independent Non-Executive Chairman

APPENDIX A
THE RULES OF THE JOYAS SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the “**Joyas Share Option Scheme**”.

2. DEFINITIONS

2.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Auditors”	:	The auditors of the Company for the time being
“Board of Directors” or “Board”	:	The board of directors of the Company for the time being
“Bye-Laws”	:	The bye-laws of the Company, as may be amended or modified from time to time
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Company from time to time
“Company”	:	Joyas International Holdings Limited
“Companies Act”	:	The Companies Act 1981 of Bermuda, as may be amended or modified from time to time

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THE RULES OF THE JOYAS SHARE OPTION SCHEME

“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operation policies of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Date of Grant”	:	The date on which an Option is granted to a Participant under the Scheme in accordance with the Rules of the Scheme
“Directors”	:	The directors of the Company
“Exercise Price”	:	The price at which a Grantee shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of the Scheme, or such adjusted price as may be applicable in accordance with Rule 10 of the Scheme
“Financial Year”	:	Financial year of the Company ended or ending 31 December (as the case may be)
“Grantee”	:	The person to whom an offer of any Option is made
“Group”	:	The Company and its subsidiaries collectively
“Group Employee”	:	Has the meaning ascribed to it in Rule 4 of the Scheme
“Group Executive Director”	:	Has the meaning ascribed to it in Rule 4 of the Scheme
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Price”	:	The average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent
“Memorandum”	:	Memorandum of association of the Company, as may be amended or modified from time to time
“NTA”	:	Net tangible assets

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“Offer Date”	:	The date on which an offer to grant an Option is made in accordance with the Rules of the Scheme
“Option”	:	The right to subscribe for Shares granted pursuant to the Scheme in accordance with the Rules of the Scheme
“Option Period”	:	The period for the exercise of an Option being: <ul style="list-style-type: none">(a) in the case of an Option granted with the Exercise Price set at the Market Price, a period commencing after the first (1st) anniversary of the Date of Grant of that Option and expiring on the 10th anniversary of such Date of Grant, subject to Rule 11 and Rule 15 of the Scheme and any other conditions as may be determined by the Committee from time to time; and(b) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period commencing after the second (2nd) anniversary of the Date of Grant of that Option and expiring on the 10th anniversary of such Date of Grant, subject to Rule 11 and Rule 15 of the Scheme and any other conditions as may be determined by the Committee from time to time
“Participant”	:	A person who is selected by the Committee to participate in the Scheme in accordance with the Rules of the Scheme
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business on which Shareholders must be registered with the Company and/or CDP, as the case may be, in order to participate in any such dividends, rights, allotments or other distributions
“Rules”	:	The rules of the Scheme, as may be amended or modified from time to time
“Scheme”	:	The Joyas Share Option Scheme, as may be amended or modified from time to time
“Securities Account”	:	The securities account maintained by Depositors with CDP but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the capital of the Company

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“Shareholders” : The registered holders of the Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares held by CDP and where the context so admits, mean the persons named as Depositors whose Securities Accounts such Shares are credited

“Substantial Shareholders” : A person who has an interest or interests in the voting Shares representing not less than 5% of all the voting Shares

Currencies, Units and Others

“SGD”, “S\$”, “\$” or “cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

“%” or “per cent” : Per centum or percentage

2.2 The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the same meanings ascribed to them respectively by Section 81SF of the SFA. The terms **“associated company”** and **“subsidiary”** shall have the same meanings ascribed to them respectively in the Catalist Rules and the Companies Act, as the case may be.

2.3 Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

2.4 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Catalist Rules, the Companies Act, the SFA or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Catalist Rules, the Companies Act, the SFA or any statutory modification thereof, as the case may be, unless the context requires otherwise.

2.5 Any reference in the Scheme to a time of day or date in the Scheme shall be a reference to Singapore time and dates, unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The objectives of the Scheme are as follows:

- (a) to motivate Participants to perform at an optimal level of efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (c) to instil loyalty and a strong sense of identity in the Participants to motivate Participants to contribute to the long-term growth and prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

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4. ELIGIBILITY OF PARTICIPANTS

4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Scheme:

- (a) any confirmed employee of the Group (including any a Director of the Company and/or a director of the Company's subsidiaries, as the case may be, who performs an executive function ("**Group Executive Director**") selected by the Committee to participate in the Joyas Share Option Scheme in accordance with the rules of the Joyas Share Option Scheme ("**Group Employee**"); and
- (b) Directors of the Company (including Non-Executive Directors),

provided that, as at the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

4.2 Subject to the absolute discretion of the Committee, the Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Scheme, provided that the participation of the Controlling Shareholder and/or his Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution setting out the specific number and terms of such grants. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders and/or their Associates any Options (including the rationale for any discount to the Market Price, if so proposed).

4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other company within the Group.

4.4 Subject to the Catalist Rules, the Companies Act and any other requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the eligibility criteria for participation in the Scheme may be amended or modified from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 6 of the Scheme, the number of Shares over which Options may be granted to a Participant for subscription under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Participant's rank, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Participant and the prevailing market and economic conditions.

6. SIZE OF THE SCHEME

6.1 The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the Scheme; and
- (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force,

shall not exceed 15% of the total issued Shares excluding treasury shares in the Company from time to time.

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6.2 The aggregate number of Shares over which Options may be granted under the Scheme to the Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Controlling Shareholder or each of their Associates shall not exceed 10% of the Shares available under the Scheme.

7. OFFER DATE

7.1 Save as provided in Rule 4, Rule 5 and Rule 6 of the Scheme, the Committee may offer to grant Options to such Participants as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that, for so long as the Shares are listed and quoted on the Catalist, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's half year and/or final results (whichever the case may be). In addition, in the event that an announcement is made on any matter of an exceptional nature involving unpublished price sensitive information, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is made.

7.2 An offer to grant an Option to a Participant shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule 1, subject to such amendments or modifications as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

8.1 An Option offered to a Grantee in accordance with Rule 7 of the Scheme may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date by (a) completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Schedule 2, subject to such amendments or modifications as the Committee may determine from time to time accompanied by the payment of S\$1.00 as consideration (the "**Consideration**") or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with the Rules of the Scheme.

8.2 The Grantee may accept or refuse the whole or part of the Option offered. If only part of the Option offered is accepted, the Grantee shall accept the Option offered in multiples of 1,000 Shares. The Committee shall within 15 Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.

8.3 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, the Option offered shall, upon the expiry of the 30 day period referred to in Rule 8.1 of the Scheme, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

8.4 The Company shall be entitled to reject any purported acceptance of a grant of an Option made in accordance with this Rule 8 or Exercise Notice given in accordance with Rule 12 of the Scheme which does not comply strictly with the Rules of the Scheme.

8.5 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative(s) as provided in Rule 11.6 of the Scheme in the event of the death of such Grantee.

8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

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- 8.7** Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted strictly in the manner as provided in Rule 8.1 of the Scheme within the 30 day period referred to therein; or
 - (b) the Grantee dies prior to his acceptance of the Option; or
 - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
 - (d) the Grantee, being a Group Employee or a Director, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

- 9.1** Subject to any adjustment in accordance with Rule 10 of the Scheme, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee on the Date of Grant at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST) and shall be approved by the Shareholders at a general meeting in a separate resolution for making offers and grants of Options under the Joyas Share Option Scheme at a discount not exceeding the maximum discount of 20% of the Market Price.

- 9.2** In making any determination under Rule 9.1(b) of the Scheme on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Participant;
- (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (d) the prevailing market and economic conditions.

10. VARIATION OF CAPITAL

- 10.1** If a variation in the issued share capital of the Company (whether by way of rights issue, capital reduction, subdivision, consolidation of Shares or distribution, or otherwise), shall take place, then:

- (a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised;

APPENDIX A
THE RULES OF THE JOYAS SHARE OPTION SCHEME

- (b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 of the Scheme above:

- (a) no such adjustment shall be made:
- (i) if as a result, the Grantee receives a benefit that a Shareholder does not receive;
 - (ii) if such adjustment will result in the number of Shares issued and/or issuable in respect of all Options granted under the Scheme or all Shares, options or awards granted under any other share option or share scheme of the Company then in force to exceed 15% of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company from time to time; and
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

10.3 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (a) issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on Catalist, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of the Company and/or any of its subsidiaries pursuant to share option or share schemes of the Company approved by Shareholders in general meeting, including the Scheme;
- (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

10.4 Upon any adjustment required to be made pursuant to Rule 10 of the Scheme, the Company shall notify each Grantee (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option(s) so far as unexercised. Any adjustment shall take effect upon such written notification being given.

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11. OPTION PERIOD

11.1 Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Grantee after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the 10th anniversary of the relevant Date of Grant except in the case of Options granted to non-executive directors and independent directors of the Company where the exercise period may not exceed five (5) years from the Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

11.2 Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Grantee after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the 10th anniversary of the relevant Date of Grant except in the case of Options granted to non-executive directors and independent directors of the Company where the exercise period may not exceed five (5) years from the Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company in the following circumstances:

- (a) subject to Rule 11.4, Rule 11.5 and Rule 11.6 of the Scheme, upon the Grantee ceasing to be a Group Employee or a Director for any reason whatsoever; or
- (b) upon the bankruptcy of the Grantee or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of events resulting in termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Grantee, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a) of the Scheme, the Grantee shall be deemed to have ceased being so employed as at the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Option shall lapse in accordance with Rule 11.3(a) of the Scheme in the event of any transfer of employment of a Grantee within the Group or upon the cessation of employment of a Director.

11.4 Where a Grantee who is a Director, ceases to be a Director for any reason whatsoever, he shall, notwithstanding Rule 11 and Rule 12 of the Scheme, be entitled to exercise in full all unexercised Options from the date he ceases to be a Director until the end of the relevant Option Period.

11.5 If a Grantee ceases to be in the employment of the Group by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee;

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- (e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period, and upon the expiry of such period, the Option shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

- 11.6** If a Grantee dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Committee, be exercisable by the duly appointed legal personal representative(s) of the Grantee from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void and of no effect.
- 11.7** The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Grantee giving notice in writing to the Company in or substantially in the form set out in Schedule 3 (the “**Exercise Notice**”), subject to such amendments or modifications as the Committee may determine from time to time. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payment shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Scheme and the Memorandum and Bye-Laws of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Grantee but in any event within 10 Market Days (or such other period as may be permitted by the Catalist Rules) after the date of the exercise of the said Option in accordance with Rule 12.1 of the Scheme, allot and issue the Shares in respect of which such Option has been exercised by the Grantee and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Grantee or, if the Shares are listed and quoted on Catalist, to CDP for the credit of the Securities Account or securities sub-account or CPF investment account of that Grantee by ordinary post or such other mode of delivery as the Committee may deem fit.

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- 12.3** The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Grantee pursuant to any adjustments made in accordance with Rule 10 of the Scheme.
- 12.4** Shares which are allotted on the exercise of an Option by a Grantee shall be issued, as the Grantee may elect, in his name or, if the Shares are listed and quoted on Catalyst, in the name of CDP to the credit of the Securities Account of the Grantee maintained with CDP or the Grantee's securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 12.5** Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Catalyst Rules, the Companies Act, the SFA, and the Memorandum and Bye-Laws of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.
- 12.6** Except as set out in Rule 12.2 of the Scheme and subject to Rule 10 of the Scheme, an Option does not confer on a Grantee any right to participate in any new issue of Shares.
- 12.7** The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. AMENDMENTS, MODIFICATIONS AND/OR ALTERATIONS TO THE SCHEME

- 13.1** Any or all of the provisions of the Scheme may be amended, modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any amendment, modification or alteration which shall adversely alter the rights attached to any Options granted prior to such amendment, modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option(s) granted prior to such amendment, modification or alteration may only be made with the consent in writing of such number of Grantees who, if they exercised their Options in full, would thereby become entitled to not less than three quarters of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
 - (b) any amendment, modification or alteration which would be to the advantage of Grantees under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
 - (c) no amendment, modification or alteration shall be made without the prior approval of the SGX-ST (if required) or any other stock exchange on which the Shares may be listed or quoted from time to time, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a) of the Scheme, the opinion of the Committee as to whether any amendment, modification or alteration would adversely alter the rights attaching to any Option shall be final and conclusive.

- 13.2** Notwithstanding anything to the contrary contained in Rule 13.1 of the Scheme, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST if necessary) amend, modify and/or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

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13.3 Written notice of any amendment, modification or alteration made in accordance with this Rule 13 shall be given to all Grantees under the Scheme.

14. DURATION OF THE SCHEME

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore and Bermuda, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and the approval of any relevant authorities which may then be required.

14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted in accordance with Rule 8 of the Scheme, whether such Options have been exercised (whether fully or partially) or not.

5. TAKE-OVER AND WINDING UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Grantees (including Grantees holding Options which are then not exercisable in accordance with the provisions of Rule 11.1 and/or Rule 11.2 of the Scheme) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 of the Scheme but subject to Rule 15.5 of the Scheme, be entitled to exercise such Options in full or in part during the period commencing on the date on which such take-over offer is made or, if such take-over offer is conditional, the date on which the take-over offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option(s) then remaining unexercised shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Grantees that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Grantees until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier.

Any Option not so exercised by the said specified date shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company, provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11 of the Scheme, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 15.1 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

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- 15.2** If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Grantees (including Grantees holding Options which are then not exercisable in accordance with the provisions of Rule 11.1 or Rule 11.2 of the Scheme) shall notwithstanding Rule 11 of the Scheme but subject to Rule 15.5 of the Scheme, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option(s) shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company, provided always that the date of exercise of any Option(s) shall be before the expiry of the relevant Option Period.
- 15.3** If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.
- 15.4** In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.
- 15.5** If in connection with the making of a take-over offer referred to in Rule 15.1 of the Scheme above or the compromise or arrangement referred to in Rule 15.2 of the Scheme above or the winding-up referred to in Rule 15.4 of the Scheme above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Grantees, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Grantee holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option in accordance with this Rule 15.
- 15.6** If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.
- 16. ADMINISTRATION OF THE SCHEME**
- 16.1** The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.
- 16.2** The Committee shall have the power, from time to time, to make regulations or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3** Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the Scheme or any Rule, regulation, or procedure thereunder or as to any rights under this Scheme).

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16.4 As a safeguard against abuse, pursuant to the Catalist Rules, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) except for those Directors, Controlling Shareholders or their Associates, will be involved in deliberation on the same.

17. NOTICES

17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

17.2 Any notice or documents required to be given by the Company to a Participant or any correspondences to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

The Scheme or any Option shall not form part of any contract of employment between the Company or any of the Company's subsidiaries (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may be entitled to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Grantee under the Scheme shall be borne by that Grantee.

20. COSTS AND EXPENSES OF THE SCHEME

20.1 Each Grantee shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares in CDP's name pursuant to the exercise of any Option, the deposit of share certificate(s) with CDP, the Grantee's Securities Account maintained with CDP or the Grantee's securities sub-account maintained with a Depository Agent or CPF investment account maintained with a CDP agent bank and all taxes referred to in Rule 19 of the Scheme which shall be payable by the relevant Grantee.

20.2 Save for the taxes referred to in Rule 19 of the Scheme and such costs and expenses expressly provided in the Scheme to be payable by the Grantees, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages (including any interest arising thereof), whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in allotting and issuing the Shares or in applying for or procuring the listing of and quotation for the

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Shares allotted pursuant to the exercise of any Option on Catalist or, if applicable, any other stock exchanges on which the Shares may be listed or quoted from time to time.

22. CONDITION OF OPTION

Every Option shall be subject to the condition that no Share shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore, Bermuda or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

23. DISCLOSURE IN ANNUAL REPORTS

The Company shall, for so long as the Scheme continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Grantees (which for avoidance of doubt, shall include Grantees who have exercised all their Options in any particular Financial Year):
 - (i) Grantees who are Directors of the Company;
 - (ii) Grantees who are Controlling Shareholders and their Associates; and
 - (iii) Grantees, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during the Financial Year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of Financial Year under review	Aggregate Options exercised since commencement of Scheme to end of Financial Year under review	Aggregate Options outstanding as at the end of Financial Year under review

- (c) the number and proportion of Options granted at a discount during the Financial Year under review in respect of every 10% discount range, up to the maximum quantum of discount granted, which is 20% of the Market Price; and
- (d) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

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24. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

25. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme.

26. GOVERNING LAW

The Rules of the Scheme are subject to the Companies Act and such other laws and regulations as may for the time being be applicable.

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Grantees, by accepting the offer of the grant of Options in accordance with the Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

27. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

For the purposes of implementing and administering the Scheme, and in order to comply with any applicable laws, listing rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Letter of Offer and/or any other notice or communication given or received pursuant to the Scheme, and/or which is otherwise collected from the Participants (or their authorised representative(s)). By participating in the Scheme, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with the Scheme, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

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Schedule 1

JOYAS SHARE OPTION SCHEME

LETTER OF OFFER

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Joyas Share Option Scheme (the “**Scheme**”), you have been nominated to participate in the Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of Joyas International Holdings Limited (the “**Company**”) to administer the Scheme. Terms as defined in the Scheme shall have the same meanings when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”) to subscribe for and be allotted _____ Shares at an exercise price determined in accordance with the Rules of the Scheme (the “**Exercise Price**”).
3. The Option is personal to you and shall not be sold, mortgaged, transferred, charged, assigned pledged or otherwise disposed of or encumbered by you, in whole or in part or in any way whatsoever, except with the prior written approval of the Committee.
4. The Option shall be subject to the Rules of the Scheme, a copy of which is available for inspection at the registered address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of the Company,

Name:
Designation:

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Schedule 2

JOYAS SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No. _____

Private and Confidential

To: The Committee,
JOYAS SHARE OPTION SCHEME
JOYAS INTERNATIONAL HOLDINGS LIMITED
[Address]

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Total Amount Payable : S\$_____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at the Exercise Price. I enclose cash for S\$1.00 in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or options to subscribe for such Shares.

I agree to keep all information pertaining to the grant of the Option to me confidential. I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitutes the entire agreement between us relating to the offer.

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Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Please delete accordingly.

Notes:

1. The Option must be accepted in full or in multiples of 1,000 Shares.
2. The Acceptance Form must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Grantee shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

APPENDIX A
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Schedule 3

JOYAS SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Serial No. _____

Private and Confidential

To: The Committee,
JOYAS SHARE OPTION SCHEME
JOYAS INTERNATIONAL HOLDINGS LIMITED
[Address]

Total number of ordinary shares (the "**Shares**")
at S\$_____ for each Share
(the "**Exercise Price**") under the Scheme
on _____ (Date of Grant) : _____

Number of Shares previously allotted thereunder : _____

Outstanding balance of Shares to be allotted thereunder : _____

Number of Shares now to be subscribed : _____

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Joyas International Holdings Limited (the "**Company**") at S\$_____ for each Share.
2. I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Scheme, and the Memorandum and Bye-Laws of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in *my name/the name of The Central Depository (Pte) Limited (the "**CDP**") for credit of my *Securities Account with CDP/sub-account with the Depository Agent/CPF investment account with the CPF agent bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX A
THE RULES OF THE JOYAS SHARE OPTION SCHEME

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

* Please delete accordingly.

Notes:

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Grantee shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

NOTICE OF SPECIAL GENERAL MEETING

JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration Number 38991)

NOTICE IS HEREBY GIVEN that a Special General Meeting (the “SGM”) of **Joyas International Holdings Limited** (the “Company”) will be held at 1 Robinson Road, #18-00 AIA Tower, Singapore 048542 on 26 April 2018 at 10.30 a.m. (or as soon as practicable immediately following the conclusion of or adjournment of the Annual General Meeting of the Company held on the same day and at the same place at 9.30 a.m.) for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

All capitalised terms used in this notice of SGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 10 April 2018 (the “Circular”) in relation to, among others, the proposed adoption of the Joyas Share Option Scheme.

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE JOYAS SHARE OPTION SCHEME

That:

- (i) the proposed adoption of the Joyas Share Option Scheme, the rules of which have been set out in Appendix A to the Circular, be and are hereby adopted and approved by the Company;
- (ii) pursuant to the Act, the Directors and/or any of them be and are hereby authorised to offer and grant Options in accordance with the rules of the Joyas Share Option Scheme and to allot and issue such Shares as may be required to be allotted and issued pursuant to the exercise of Options under the Joyas Share Option Scheme, provided always that the aggregate number of Shares over which Options may be granted on any date under the Joyas Share Option Scheme shall not exceed 15% of the total issued Shares excluding treasury shares and subsidiary holdings in the Company from time to time; and
- (iii) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT UNDER THE JOYAS SHARE OPTION SCHEME

That contingent upon the passing of Ordinary Resolution 1:

- (i) the maximum discount which may be given in respect of any Option of 20% of the Market Price under the Joyas Share Option Scheme be and is hereby approved, provided always that such discount does not exceed the percentage or amount prescribed or permitted by the SGX-ST from time to time;
- (ii) the Directors and/or any of them be and are hereby authorised to offer and grant Options at a discount up to 20% of the Market Price in accordance with the rules of the Joyas Share Option Scheme and to allot and issue such Shares as may be required to be allotted and issued pursuant to the exercise of Options under the Joyas Share Option Scheme provided always that the aggregate number of Shares over which Options may be granted on any date under the Joyas Share Option Scheme shall not exceed 15% of the total issued Shares excluding treasury shares and subsidiary holdings in the Company from time to time; and

NOTICE OF SPECIAL GENERAL MEETING

- (iii) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Gn Jong Yuh Gwendolyn
Lui Mui Ching

Company Secretaries
Singapore

10 April 2018

Notes:

1. Save for the Depository (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore) which may appoint more than two (2) proxies, a member of the Company entitled to attend and vote at the SGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his/her/their behalf. Where such member's Proxy Form (including the Depository's Proxy Form) appoints more than one (1) proxy, the appointments shall be invalid unless he/she/it specifies the number and class of shares in relation to which each proxy has been appointed in the Proxy Form.
2. A proxy need not be a member of the Company.
3. The Proxy Form must be deposited at the office of the Company's Singapore Registrar & Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for holding the SGM of the Company.
4. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

Personal Data Privacy:

By attending the SGM of the Company and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend and vote at the SGM of the Company and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, Catalist Rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.