

JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Registration No. 38991)
(the “Company”)

ADJUSTMENT CONDITIONS AND REDEMPTION CONDITIONS OF THE CONVERTIBLE BONDS UNDER THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE BY THE COMPANY OF UP TO S\$5,320,060.99 IN AGGREGATE PRINCIPAL AMOUNT OF 7.0 PER CENT. CONVERTIBLE BONDS DUE 2020

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company’s announcements dated 16 August 2013, 16 December 2013, 3 November 2014 and 2 December 2014, 8 January 2015, 12 January 2015, 26 January 2015, 28 January 2015 and 16 February 2015 (the “Announcements”) and the Offer Information Statement dated 26 January 2015 (the “Offer Information Statement”).

1. INTRODUCTION

The Board refers to the announcement on conditions stated in the SGX-ST’s approval in-principle dated 3 November 2014.

For further details on circumstances in which the price of the Conversion Shares may be adjusted and the conditions under which the Convertible Bonds may be redeemed, please refer to the electronic copy of the Offer Information Statement.

2. CONDITIONS UNDER WHICH THE CONVERSION PRICE MAY BE ADJUSTED

The Conversion Price in respect of the Convertible Bonds is initially S\$0.10. The Conversion Price will be subject to adjustment under the terms and conditions of the Convertible Bonds, according to the following scenarios:

- (a) any alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification;
- (b) the issue of Shares by the Company credited as fully paid to Shareholders, by way of capitalisation of profits or reserves (including any share premium account, distributable profits or reserves and/or capital redemption reserve fund), including a free distribution or bonus issue of Shares, other than an issue of Shares paid-up out of profits or reserves and issued in lieu of the whole or part of a specifically declared cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Capital Distribution (as defined in the Terms and Conditions of the Convertible Bonds);
- (c) the issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in the Terms and Conditions of the Convertible Bonds) of such Shares exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution;
- (d) the payment or making of any Capital Distribution by the Company to the Shareholders;
- (e) the issue of Shares to all or substantially all Shareholders as a class by the Company by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price;

- (f) the issue of any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by the Company by way of rights, or the grant to all or substantially all Shareholders as a class by way of rights of any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares);
- (g) otherwise than as mentioned in sub-paragraph (e) above, the issue wholly for cash by the Company of any Shares or the issue or grant of options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than the Current Market Price;
- (h) the issue wholly for cash by the Company or any Subsidiary (as defined in the Terms and Conditions of the Convertible Bonds) or (at the direction or request of or pursuant to any arrangements with the Company or any Subsidiary) any other company, person or entity of any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than the Current Market Price;
- (i) any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in the preceding sub-paragraph (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price;
- (j) the issue, sale or distribution by or on behalf of the Company or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Company or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Company or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them; and
- (k) if the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not specified above, the Company shall at its own expense request an Independent Adviser (acting as an expert) to determine as soon as practicable what adjustment to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination.

No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted pursuant to any employee share scheme or pursuant to the conversion of the Convertible Bonds.

2. CONDITIONS UNDER WHICH THE CONVERSION BONDS MAY BE REDEEMED

The Convertible Bonds may be redeemed in the following circumstances:

Redemption at Maturity

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions of the Convertible Bonds, the Company will redeem each Convertible Bond at 100% of its principal amount on the Maturity Date.

Redemption at the Option of the Company or for Taxation Reasons

If at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10.0 per cent. of the aggregate principal amount originally issued, the Company shall have the option to redeem such outstanding Convertible Bonds in whole but not in part at their principal amount together with accrued interest.

The Company also has the option to redeem the Convertible Bonds at any time after three (3) years of the date of issue of the Convertible Bonds before the Maturity Date. Any such early redemption of the Convertible Bonds by the Company shall be made at 103% of the principal amount of the Convertible Bonds, together with any accrued interest.

Also, at any time, the Company may redeem the Convertible Bonds, subject to and in accordance with the Terms and Conditions of the Convertible Bonds, for taxation reasons.

Delisting Put Right

In the event the Shares cease to be listed or admitted to trading on the SGX-ST (a “**Delisting**”), each Bondholder shall have the right (the “**Delisting Put Right**”), at such Bondholder’s option, to require the Company to redeem all (but not less than all) of such Bondholder’s Convertible Bonds on the 20th Business Day (as defined in the Terms and Conditions of the Convertible Bonds) after notice has been given to Bondholders regarding the Delisting at 100% of its principal amount together with accrued interest.

3. FURTHER INFORMATION

The approval-in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Convertible Bonds, the Conversion Shares, the Company and/or its subsidiaries.

Completion of the issue of the Convertible Bonds will be announced via SGXNET in due course.

By Order of the Board

Lau Chor Beng, Peter
Managing Director
Joyas International Holdings Limited

18 February 2015