

AYS VENTURES BERHAD (925171-T)

DISPOSAL OF SHARES IN NV MULTI CORPORATION BERHAD, A WHOLLY-OWNED SUBSIDIARY COMPANY OF AYS VENTURES BERHAD

1. INTRODUCTION

The Board of Directors of AYS Ventures Berhad (“AYS” or “Company”) wishes to inform that the Company has on 07 January 2013 entered into a Share Sale Agreement (“SSA”) with NV Multi Asia Sdn Bhd (Company No.: 911038-P) (“the Purchaser”) for the disposal of 115,110,300 ordinary shares of RM0.01 each (“Sale Shares”) representing 100% of issued and paid up share capital in NV Multi Corporation Berhad (“NV Multi”) for a total consideration of RM1,275,000 only (“Disposal”).

Upon completion of the Disposal, NV Multi will cease to be a subsidiary of AYS.

2. BACKGROUND INFORMATION ON NV MULTI CORPORATION BERHAD

NV Multi was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 25 September 1990 and listed on the Main Board of Kuala Lumpur Stock Exchange on 23 August 2000. It was subsequently delisted on 09 May 2012 after completion of a restructuring scheme where the listing status was transferred to AYS.

NV Multi became the 100% owned subsidiary of AYS on 24 April 2012 by the share exchange of the entire issued and paid-up share capital of 115,110,300 ordinary shares of RM0.01 (“NV Multi Shares”) for 18,417,648 new AYS Shares at an issue price of RM0.50 per AYS Shares on the basis of 8 new AYS Shares for every 50 existing NV Multi Shares held by the shareholders of NV Multi via a scheme of arrangement under Section 176 of Companies Act, 1965.

NV Multi was principally involved in investment holding and provision of management services and it has been dormant since becoming a subsidiary of the Company.

The present authorized share capital of NV Multi is RM120,000,000 comprising 12,000,000,000 ordinary shares of RM0.01 each, of which 115,110,300 ordinary shares have been issued and fully paid-up.

The net asset of NV Multi as per the latest management accounts for the financial period ended 30 November 2012 was RM1,274,000. For the eight months ended 30 November 2012, NV Multi has net loss of RM132,000.

3. INFORMATION ON THE PURCHASER

NV Multi Asia Sdn Bhd was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 9 August 2010 having its registered address at Level 3A, Wisma NV Multi, No. 1, Jalan 1/116A, Off Jalan Sungai Besi, 57100 Kuala Lumpur. The present

authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares have been issued and fully paid-up. Its principal activity is investment holding.

The Directors of NV Multi Asia Sdn Bhd are Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, Dato' Kong Hon Kong, Kong Yew Foong, Soo Wei Chian, Kong Yew Lian and Kong Chin Yee (f) (alternate director). It is a 100%-owned subsidiary of Peace Ventures Ltd (Company No. ET-245788), a Company incorporated in the Cayman Islands on 23 September 2010 with its principal activity of investment holding.

4. CONSIDERATION OF THE TRANSACTION

4.1 The consideration for the Disposal is Ringgit Malaysia One Million Two Hundred Seventy Five Thousand (RM1,275,000) ("Disposal Consideration"). The entire Disposal Consideration shall be satisfied in cash.

4.2 As NV Multi is presently dormant, the Directors have used the net asset value of NV Multi as the basis of arriving at the Disposal Consideration. The net asset position based on the latest management accounts of NV Multi for the financial period ended 30 November 2012 of approximately RM1,274,000 after taking into consideration of the single tier interim dividend of RM2,000,000 that was paid on 21 November 2012.

4.3 The Purchaser will not be assuming any liabilities from this transaction.

5. SALIENT FEATURES OF SHARE SALE AGREEMENT AND TERMS OF PAYMENT

5.1 Upon execution of the SSA, the Purchaser shall pay and settle the Disposal Consideration in full by cash to AYS.

5.2 Upon execution of the SSA, the Vendor shall sign and execute an instrument of transfer and deliver such transfer to the Purchaser together with the shares certificate to the Purchaser.

5.3 The Sale Shares will be acquired by the Purchaser free from all liens, pledges, charges and encumbrances and with all rights attached thereto.

5.4 The SSA may be inspected at AYS' Registered Office at 802, 8th Floor, Block C, Kelana Square 17, Jalan SS 7/26, 47301 Petaling Jaya, Selangor during business hours for a period of 3 months from the date of this announcement.

6. UTILISATION OF PROCEEDS

The Disposal Consideration will be utilized as follows:

Utilisation of proceeds	Note	RM	Timeframe for the utilisation of proceeds
Working capital	1	1,275,000	Within 3 months from the receipt of proceeds

Notes:

(1) *The Company proposes to use RM1,275,000 for the Group's working capital to purchase steel products and raw materials.*

7. RATIONALE FOR THE DISPOSAL

The Disposal is part of the internal rationalization of the AYS Group to realize the value of its dormant and non-operating subsidiary.

8. THE EXPECTED GAIN/LOSS

The original cost of investment of AYS in NV Multi was RM9,208,824 as at 24 April 2012, being the date of acquisition. As the net assets of the investment was RM3,406,188 at the date of acquisition, the Company has recognized an impairment loss of RM5,802,636 in its financial statement. The net asset position based on the latest management accounts of NV Multi for the financial period ended 30 November 2012 is approximately RM1,274,000. With the consideration at RM1,275,000 there is a gain on the Disposal of approximately RM1,000.

9. EFFECTS OF THE DISPOSAL

9.1 Share Capital and Shareholding Structure

The Disposal will not have any effect on the issued and paid-up share capital of AYS and the shareholdings of the substantial shareholders of AYS.

9.2 Net assets, earnings and gearing

The Disposal is not expected to have any material impact on the net assets, earnings and net gearing position of AYS Group for the current financial year ending 31st March 2013.

10. PERCENTAGE RATIO APPLICABLE TO THE DISPOSAL

The Disposal is not a Related Party Transaction. Pursuant to Part D Chapter 10 of the Bursa Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Disposal is 5.81% computed based on the aggregate original cost of investment in NV Multi compared with the proforma accounts of AYS Group for the financial year ended 31 March 2012.

11. RISK FACTORS

There is no anticipated risk resulting from the Disposal.

12. APPROVALS REQUIRED AND APPLICATION TO RELEVANT AUTHORITIES

The Disposal does not require the approval of shareholders of AYS or any relevant government authority.

13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the directors and/or major shareholders of AYS and/or persons connected with a director or major shareholder has any interest, direct or indirect, in the Disposal.

14. STATEMENT OF DIRECTORS

The Directors of AYS, having considered all aspects of the disposal, are of the opinion that the Disposal is in the best interest of the Company

This announcement is dated 07 January 2013.