

**JOYAS INTERNATIONAL HOLDINGS LIMITED**  
(Incorporated in Bermuda)  
(Company Registration No. 38991)

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**DISPOSAL OF 70% OF EQUITY INTEREST IN HONG KONG SILVER BASIC GROUP LIMITED**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Joyas International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Asiapac Growth Holdings Limited (“**Asiapac**”) had on 14 October 2022, entered into a sale and purchase agreement (the “**SPA**”) with Mr. Wang De Wei (the “**Purchaser**”) to dispose of 70% of the total issued and paid-up share capital (the “**Sale Shares**”) of Hong Kong Silver Basic Group Limited (“**HK Silver**”) (the “**Proposed Disposal**”).

Following completion of the Proposed Disposal on 14 October 2022, HK Silver has ceased to be a subsidiary of Asiapac and an indirect subsidiary of the Company.

**2. INFORMATION ON THE PROPOSED DISPOSAL**

**2.1 Information on HK Silver**

HK Silver is a company incorporated in Hong Kong on 25 September 2007 with an issued share capital of HK\$10,000. HK Silver is currently a dormant company. Prior to the financial ended 31 December 2017, HK Silver was engaged in the distribution and trading of nickel in Hong Kong and the People’s Republic of China.

**2.2 Information on the Purchaser**

The Purchaser is a shareholder of HK Silver. The Purchaser is a family member of Mr. Wang De Zhou (“**WDZ**”), a former key management personnel of the Group. The Purchaser currently holds 5% shareholding in HK Silver.

Save as disclosed in this announcement, the Purchaser is not related to the directors, substantial shareholders of the Company, or their respective associates. As at the date of this announcement, the Purchaser does not hold any shares in the share capital of the Company or any other shareholding interest (direct or indirect) in the Company.

For the avoidance of doubt, the Purchaser is not an interested person (as defined under the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”). Accordingly, the Proposed Disposal does not constitute an interested person transaction.

**2.3 Consideration**

In accordance with the terms of the SPA, the aggregate consideration payable by the Purchaser for the Proposed Disposal is the nominal amount of HK\$1 (the “**Consideration**”). The Consideration has been settled by the Purchaser in cash.

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, among other things, the financial position of HK Silver.

## 2.4 Value of Sale Shares

Based on the latest unaudited financial statements of HK Silver for the six months ended 30 June 2022, the negative book value and the net tangible liability value of the Sale Shares was approximately HK\$1,092,000.

Based on the latest unaudited consolidated financial statements of the Group for the six months ended 30 June 2022, there will be an estimated gain of HK\$1,092,000 on the Proposed Disposal.

The Proposed Disposal represents an excess of approximately HK\$1,092,000 over the book value of the Sale Shares.

No valuation was commissioned by the Company in respect of the Proposed Disposal as the Consideration is minimal, HK Silver is dormant and hence not cost effective to do so.

## 2.5 Use of Proceeds

As the Consideration of the Proposed Disposal is only HK\$1, it is not meaningful to discuss the use of proceeds from the Proposed Disposal.

## 3. RATIONALE FOR THE PROPOSED DISPOSAL

In 2015, HK Silver paid an unsecured interest-free deposit of approximately HK\$24 million (“**Deposit**”) to a supplier (“**Supplier**”) for the purchase of nickel ore. For the avoidance of doubt, WDZ is a shareholder and director of the Supplier.

In the financial year ended 31 December 2019, the Deposit was fully impaired and the trade payable to the Supplier of HK\$10,531,000 was fully written back. During the financial period ended 30 June 2022 and the financial year ended 31 December 2021, the Group received HK\$234,000 and HK\$78,000 respectively from WDZ, being partial repayment of the Deposit.

In view of the above, the Group has decided to dispose HK Silver to resolve the Group’s audit qualification issues. Please refer to the Company’s announcement dated 6 April 2022 for details on the disclaimer of opinion issued by the Company’s independent auditors in respect of the Company’s consolidated financial statements for the financial year ended 31 December 2021. By disposing HK Silver (which also includes the Group’s investment in associate, PT Global Linker Indonesia (“**PTGLI**”)), the audit procedures in relation to the Deposit, trade payables owing to the Supplier, amount due to related parties, impairment of investment in PTGLI and impairment of amount due from PTGLI can be avoided. The Group has been trying to resolve the relevant audit qualification issues in the past but due to commercial issues and issues involving third parties, the Group has been unable to resolve them. To resolve such issues, the Board is of the view that Proposed Disposal is the most feasible approach to resolve the Group’s audit qualification issues. Furthermore, as a dormant company, the Proposed Disposal is part of the Company’s strategic plans to streamline the Group’s structure by disposing dormant subsidiaries.

Subsequent to the Proposed Disposal, the Group will continue to pursue the repayment while considering the various course of action which includes a) arranging the funds required to continue with the legal course of action and b) settlement proposal by WDZ by way of transfer of ownership of certain mining concessions in Indonesia (“**Proposed Settlement**”). The Group’s management is in the process of making arrangements to meet with WDZ in Indonesia to discuss the terms further and visit the mining sites in Indonesia to have a better understanding of the operations of the nickel ore mining concessions owned or managed by WDZ which are part of the terms of the Proposed Settlement. In addition, the Group’s management is also considering and evaluating the regulatory, legal, accounting and operations issues in relation to the Proposed Settlement.

The plaintiff to the legal course of action above is Asiapac which continues to be a subsidiary of the Group. Accordingly, the Proposed Disposal will not affect the Group's right in the legal course of action.

The Board is of the opinion that the current approach by the management is in the best interest of the Company and shareholders under the current circumstances.

The Company will make further announcements if it intends to recommence its business of nickel distribution in future when export permits are available or when the settlement can be achieved.

#### 4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Disposal on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	%
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value.	-10.84 <sup>(1)</sup>
(b)	The net profits/loss attributable to the assets acquired or disposed compared with the Group's consolidated net profits/loss. <sup>(2)</sup>	23.53 <sup>(3)</sup>
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	0 <sup>(4)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not Applicable

##### Notes:

- (1) Based on the latest management accounts and unaudited consolidated financial statements for the six months ended 30 June 2022, the net liability value of the Sale Shares was approximately HK\$1,092,000 and the Group's net asset value was approximately HK\$10,074,000.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interest.
- (3) Based on the latest management accounts and unaudited consolidated financial statements for six months financial period ended 30 June 2022, the net loss attributable to the Sale Shares was approximately HK\$20,000 and the Group's net loss was approximately HK\$85,000.
- (4) The market capitalisation of the Company was determined by multiplying the number of shares in issue (2,231,776,973 ordinary shares) by the weighted average price of HK\$0.002 of the shares transacted on 13 October 2022. Accordingly, the market capitalisation for the purposes of the Proposed Disposal is HK\$24,416,000.

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

Pursuant to Paragraph 4.4(c) of the Practice Note 10A of the Catalist Rules, an issuer must immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, in the situation of a disposal of an asset by an issuer (where either or both the asset or the issuer has negative net asset value) where (i) the absolute relative figure computed on the basis of each of Rule 1006(b), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and (ii) if the disposal will result in a loss on disposal, the loss on disposal exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values).

Further, pursuant to Paragraph 4.4(e) of the Practice Note 10A of the Catalist Rules, an issuer must immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013, where applicable, in the situation of a disposal of a loss-making asset by an issuer (whether profitable or loss-making), where (i) the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(c) and (if applicable) Rule 1006(e) does not exceed 50%; and (ii) if the disposal will result in a loss on disposal, the loss on disposal exceeds 5% but does not exceed 10% of the consolidated net profit or net loss of the issuer (in each case taking into account only the absolute values).

Accordingly, as the absolute relative figures computed above does not exceed 50% and the Group will record a gain upon disposal, the Proposed Disposal is considered a discloseable transaction as it falls under Paragraph 4.4(c) and Paragraph 4.4(e) of the Practice Note 10A of the Catalist Rules.

## 5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal have been prepared based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2021 (“FY2021”).

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

- (a) the financial effects on the net tangible asset (“NTA”) per share of the Group are computed assuming that the Proposed Disposal was completed on 31 December 2021;
- (b) the financial effects for FY2021 on the earnings per share (“EPS”) / loss per share (“LPS”) of the Group are computed assuming that the Proposed Disposal was completed on 1 January 2021; and
- (c) the costs and expenses in connection with the Proposed Disposal shall be disregarded.

### Financial Effects on the NTA per share of the Group

	Before the Proposed Disposal	After the Proposed Disposal
NTA as at 31 December 2021 (HK'000)	10,155	11,247
Number of shares in the Company, excluding treasury shares and subsidiary holdings	2,231,776,973	2,231,776,973
NTA per Share (HK\$ cents)	0.46	0.50

### **Financial Effects on the EPS / (LPS) of the Group**

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net earnings / (loss) for FY2021 (HK'000)	(1,603)	(353)
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	2,231,776,973	2,231,776,973
EPS / (LPS) of the Group (HK\$ cents)	(0.07)	(0.02)

#### **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Saved as disclosed in this announcement, none of the Company's directors or controlling shareholders or their associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

#### **7. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

#### **8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA will be made available for inspection during normal business hours at the registered address of the Company at 35 Selegie Road #10-25 Singapore 188307 for a period of three (3) months from the date of this announcement.

By Order of the Board  
**Joyas International Holdings Limited**

Vincent Cheung Chun Wai  
Executive Director and Chief Executive Officer  
14 October 2022

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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