

## Appendix A

1. The Nominating Committee has recommended to the Board of Directors of Joyas International Holdings Limited (the “**Company**”) that Mr Wang De Zhou (“**Mr Wang**”) should cease to be Managing Director and Director of Hong Kong Silver Basic Group Limited (“**HK Silver**”) and cease to hold all positions (executive and non-executive) in HK Silver for the following reasons:
  - 1.1 Mr Wang is mainly involved in the technical, procurement, sales and marketing activities of HK Silver. His role includes, *inter alia*, purchasing minerals and assessing the quality of minerals for, and managing the finances of, HK Silver. Mr Wang’s performance in this role was unsatisfactory given that HK Silver has been incurring losses under his management since the financial year ended 31 December 2017.
  - 1.2 The enquiries by the Board of Directors of the Company revealed that Mr Wang had executed the disposal of 15% of the issued and paid-up share capital of PT Global Linker Indonesia in October 2018 (the “**Disposal**”) without the prior approval of the Board of Directors of HK Silver and the Board of Directors of the Company which is required pursuant to the Group’s policies and procedures. The Board of Directors of the Company was only made aware of the Disposal in January 2019 when the Company’s auditors learned of the Disposal and informed the Board of Directors of the Company of the Disposal. Accordingly, the Company was unable to make an immediate announcement in relation to the Disposal pursuant to Catalist Rule 704(17)(c) (in force at the relevant time).
  - 1.3
    - (a) HK Silver made several payments to a deposit account (the “**Deposit Account**”) of a supplier in the Philippines (which Mr Wang was the one of the owners) sometime in 2015 and 2016 for the purchase of nickel ore. By the end of 2016, the outstanding balance in the Deposit Account owed to HK Silver amounted to approximately HK\$24.4 million (the “**Deposit**”). The payments made by HK Silver to the Deposit Account was funded by Asiapac Growth Holdings Ltd (“**Asiapac**”).
    - (b) Pursuant to a facility agreement dated 18 March 2015 entered into between Asiapac and HK Silver (the “**Facility Agreement**”), Asiapac agreed to extend funds of up to US\$3 million to HK Silver secured by personal guarantees given by Mr Wang and his family members in favour of Asiapac (the “**Personal Guarantees**”) and a pledge of shares in a mining company in Indonesia which owns nickel ore mining concessions and which is majority owned by Mr Wang (the “**Share Pledge**”).

- (c) Sometime in February 2019, Mr Wang had proposed a repayment plan with respect to the Deposit to the Group (the “**Repayment Plan**”). Mr Wang agreed that the first instalment of US\$50,000 (equivalent to approximately HK\$390,000) will be paid by August 2019 and that the quantum of subsequent instalments will increase and be repaid over a period of time depending on the level of shipment of nickel ore in the future.
  - (d) Sometime in October 2019, the Board of Directors and the Management of the Company decided to take immediate steps to enforce the Personal Guarantees and the Share Pledge to recover the Deposit as (i) no payment was received by the Group from Mr Wang under the Repayment Plan; and (ii) the Deposit has been overdue for more than 3 years and Mr Wang was unable to present an alternative repayment plan. Accordingly, a letter of demand was issued by Shook Lin & Bok LLP to HK Silver on behalf of Asiapac for full payment of the outstanding sums under the Facility Agreement.
  - (e) Sometime in November 2019, (i) a warning letter was issued by Soengkar & Partners to HK Silver on behalf of Asiapac for full payment of the outstanding sums under the Facility Agreement, failing which the Share Pledge will be enforced against Mr Wang; (ii) a notification letter was issued by Soengkar & Partners to notify Mr Wang that the Share Pledge will be enforced against him if HK Silver fails to make full payment of the outstanding sums under the Facility Agreement; and (iii) letters of demand were issued by Shook Lin & Bok LLP to Mr Wang and his family members on behalf of Asiapac for full payment of the outstanding sums under the Facility Agreement pursuant to the Personal Guarantees as no payment was received by Asiapac from HK Silver.
  - (f) Given that (i) Mr Wang and his family members have failed to make full payment of the outstanding sums under the Facility Agreement pursuant to the Personal Guarantees; (ii) Mr Wang has failed to transfer the shares owned by him in a mining company in Indonesia which owns nickel ore mining concessions pursuant to the Share Pledge; and (iii) legal actions have been taken by Asiapac against Mr Wang and his family members, there is a potential conflict of interest if Mr Wang remains as Managing Director and Director of HK Silver.
2. On 10 November 2020, Mr Wang submitted a letter of resignation dated 10 November 2020 to HK Silver indicating his intention to resign as Managing Director and Director of HK Silver with effect from 11 November 2020 to spend time on his other businesses.

3. Pursuant to Mr Wang's terms of employment, the notice period for termination of employment is 6 months. However, the Board of Directors of HK Silver and Mr Wang have mutually agreed to waive the notice period without any compensation payable by Mr Wang to HK Silver.
4. The Group will not be appointing an individual to replace Mr Wang as Managing Director and Director of HK Silver as HK Silver is currently dormant. The Group will consider such appointment when HK Silver commences shipment of nickel ores. In the meantime, HK Silver will be managed by the Management of the Company.
5. After having interviewed Mr Wang and to the best of its knowledge, the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd., is satisfied that save as disclosed in this announcement, there are no other material reasons for the cessation of Mr Wang as Managing Director and Director of HK Silver.
6. HK Silver is a 70%-owned indirect subsidiary of the Company. The Company holds 70% of the total issued and paid-up share capital of HK Silver through Asiapac, a wholly-owned direct subsidiary of the Company. The remaining 30% of the total issued and paid-up share capital of HK Silver is held by Mr Wang's family members.