

JOYAS INTERNATIONAL HOLDINGS LIMITED

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

INVESTMENT AGREEMENT RELATING TO THE SALE AND PURCHASE OF 70% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF HONG KONG SILVER BASIC GROUP LIMITED

*Unless otherwise defined, capitalized terms herein shall have the same meanings ascribed to them in the Circular dated 2 December 2014 (the “**Circular**”) and the Company’s announcements dated 2 December 2014 and 8 January 2015 (the “**Announcements**”).*

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Joyas International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Circular and the Announcements in relation to, amongst others, the Proposed Diversification (as defined in the Circular), which was duly approved at the Special General Meeting of the Company held on 8 January 2015.

2. INVESTMENT AGREEMENT

The Board is pleased to announce that on 16 February 2015, pursuant to the diversification of the business of the Group into the Nickel Distribution and Trading Business (as defined in the Circular) (the “**Diversification**”), Asiapac Growth Holdings Limited (“**Asiapac**”), a wholly owned subsidiary of the Company incorporated in the British Virgin Islands, has entered into an investment agreement (the “**Investment Agreement**”) with Hong Kong Silver Basic Group Limited (“**HK Silver**”), Ms. Wang Jun Zhe, (the “**Vendor**”) and Mr. Wang De Zhou, the Chief Executive Officer of HK Silver.

HK Silver is a company incorporated in Hong Kong on 25 September 2007 with an issued share capital of HK\$10,000 and is principally engaged in the distribution and trading of nickel in Hong Kong and the People’s Republic of China (“**PRC**”). Pursuant to the Investment Agreement, it was agreed that Asiapac will acquire 70% of the total issued and paid up share capital of HK Silver (the “**Acquisition**”), for HK\$700,000 in cash (the “**Consideration**”), to be paid six (6) months after completion of the Investment Agreement.

The Consideration was arrived at on a “willing-buyer, willing-seller” basis after arms length negotiations with the Vendor. In arriving at the consideration, the Company has taken into account the net assets of HK Silver as at 31 December 2013 (HK\$409,000, 70% of the net assets value of HK Silver is approximately HK\$286,300) and also HK Silver’s goodwill. Upon completion of the Acquisition, HK Silver will become a subsidiary of the Company.

The Board is of the view the Acquisition is in the interest of the Group as the Acquisition allows the Group to tie up with an established player in the industry. Further, in order to take advantage of the value and opportunities provided by the mineral distribution related business, the Company intends to, through HK Silver, gain a good understanding of and build up its knowledge on mineral distribution business in South East Asia, Hong Kong and the PRC.

The material terms and conditions of the Investment Agreement have been previously disclosed in Section 2.3.2 of the Circular at page 21 to page 23.

There are no directors who are proposed to be appointed as a director of the Company in connection with the Investment Agreement.

3. RELATIVE FIGURES FOR THE ACQUISITION

The relative figures computed on bases as set out in Rule 1006 of the Listing Manual, and based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("FY2013") and the audited financial statements of HK Silver as at 31 December 2013, are as follows:

| | | |
|-----|--|----------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. | Not applicable |
| (b) | Net profits/(loss) attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽¹⁾ | 6.35% |
| (c) | Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽²⁾ | 1.65% |
| (d) | Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. | Not Applicable |
| (e) | 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. | Not Applicable |

Notes:

- (1) Derived based on the audited net profit of HK Silver of approximately HK\$187,000 for FY2013 and the audited net profit of the Group of HK\$2.9 million for FY2013.
- (2) The Company's market capitalisation is derived by multiplying the existing 354,670,638 shares in issue by the closing price of such shares transacted on 16 February 2015 being the full market day on which the Investment Agreement is signed and based on the exchange rate of 1 SG\$: 5.7 HK\$. The Consideration Amount for the Acquisition is HK\$700,000.

As the applicable relative figures computed above exceed 5%, the Investment Agreement is classified as a discloseable transaction pursuant to Chapter 10 of the Listing Manual.

4. FINANCIAL EFFECTS OF THE ACQUISITION

For illustrative purposes only, the financial effects of the Investment Agreement on the net tangible assets per share and earnings per share of the Group, based on the audited consolidated financial statements of the Group for FY2013 and the audited financial statements of HK Silver are set out below.

Effects on net tangible assets per share

Assuming the Investment Agreement had been effected on 31 December 2013 and

based on the audited consolidated financial statements of the Group for FY2013, the financial effect on the net tangible assets of the Group are as follows:

| | Before Acquisition | After Acquisition |
|--|--------------------|-------------------|
| Net tangible assets (HK\$'000) | 19,818 | 20,227 |
| Number of shares ('000) | 354,671 | 354,671 |
| Net tangible assets per share (HK cents) | 5.59 | 5.70 |

Effects on earnings per share

Assuming the Investment Agreement had been effected on 1 January 2013 and based on the audited consolidated financial statements of the Group for FY2013, the financial impact on the Company's earnings per share for FY2013 are as follows:

| | Before Acquisition | After Acquisition |
|---|--------------------|-------------------|
| Profit attributable to shareholders of the Company (HK\$'000) | 1,119 | 1,306 |
| Number of shares ('000) | 354,671 | 354,671 |
| Earnings per share (HK cents) | 0.33 | 0.37 |

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance of the Group after the Investment Agreement. No representation is made as to the actual financial position and/or results of the Group after the completion of the Investment Agreement.

5. SHARE OPTIONS AGREEMENT

The Board wishes to announce that on 16 February 2015, the Company has entered into a share options agreement with Mr. Chan Ka Leung (the "**Grantee**") to grant options (the "**Options**") to the Grantee to subscribe for 12,000,000 new ordinary shares in the capital of the Company ("**Option Shares**") upon fulfillment of certain conditions precedent such as approval of the Singapore Exchange Securities Limited ("**SGX-ST**") for listing and quotation of the Option Shares, satisfaction of the conditions precedent in the Investment Agreement and completion of the Investment Agreement.

The exercise price of the Options will be determined based on the market price of the Company's shares upon grant of such Options. The Option Shares represents approximately 3.4% of the issued and paid-up share capital of the Company as at the date of this Announcement. The Board is unable to determine the market value of the Options. However, the Board is of opinion that grant of the Options is reasonable in the circumstances since the exercise price of the Options will be based on the market price of the Company's shares upon grant of the Options.

As disclosed in the Circular, the grant of the Options was intended as payment for the Grantee's introducer's fees in relation to the Diversification. It is intended that the Option Shares will be issued under the share issue mandate approved at the Annual General Meeting of the Company held on 29 April 2014. Upon grant of the Options to

the Grantee, the Company will make an appropriate announcement and an application will be made to the SGX-ST by the Company for permission to deal in, and for listing and quotation of the Option Shares. An announcement on the outcome of the application will also be made in due course.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

To the best of the Board's knowledge, information and belief and having made all reasonable enquiries, HK Silver is a third party independent and not connected with the Company and its interested persons (as defined in the Listing Manual). None of the Directors or substantial shareholders of the Company has any interest in the Acquisition, Investment Agreement and the Share Options Agreement save for their interests arising by way of their shareholdings and directorships, as the case may be, in the Company.

BY ORDER OF THE BOARD

Lau Chor Beng
Managing Director
Joyas International Holdings Limited

17 February 2015