

JOYAS INTERNATIONAL HOLDINGS LIMITED

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

DISPOSAL OF PROPERTY

1. INTRODUCTION

The Board of Directors of Joyas International Holdings Limited (the “**Company**”) wishes to announce that its, wholly owned subsidiary, Joyas Group Limited had on 2 May 2014 entered into a provisional agreement (the “**Provisional SPA**”) for sale and purchase with Wong Chau Mui (the “**Purchaser**”) for the disposal (the “**Proposed Disposal**”) of the Company’s property located at 19th Floor and Car Parking Space No. 509 on Lower Ground Floor, Harrison Court V, No. 8 Man Wan Road, Homantin, Kowloon, Hong Kong (the “**Property**”).

2. RATIONALE

The Company had previously obtained a disposal mandate for, *inter alia*, the Property from shareholders of the Company (the “**Shareholders**”) at its extraordinary general meeting on 2 December 2011. The Company did not complete the disposal due to weak property demand mainly as a result of the Hong Kong Government property austerity measures.

The Proposed Disposal, at this stage will enable the Group to reduce its bank loans and strengthen the working capital position of the Group.

3. PRINCIPAL TERMS OF DISPOSAL

(i) Consideration (the “**Consideration**”)

The Consideration is HK\$12,000,000 payable in the following manner:

- (a) HK\$600,000 upon signing of the provisional agreement for sale and purchase (the “**Property Deposit**”);
- (b) HK\$600,000 payable upon signing of the formal agreement for sale and purchase on or before 16 May 2014;
- (c) And the remaining of HK\$10,800,000 upon completion on or before 31 July 2014.

The Consideration was arrived at on a willing-buyer, willing-seller basis after arm’s length negotiations with the Purchaser.

(ii) Conditions Precedent

The completion for the disposal of the Property is subject to, *inter alia*, approval from Shareholders being obtained prior to or on 31 July 2014 and is scheduled to take place on or before 31 July 2014.

(iii) Other terms

Encumbrances. The Property shall be sold to the Purchaser free from encumbrances.

Failure to perform. In the event that the Purchaser fails to complete the purchase, the Property Deposit shall be forfeited and Joyas Group Limited shall be entitled to sell the Property to anyone he thinks fit. In the event that Joyas Group Limited does not complete the sale of The Property, Joyas Group Limited is required to compensate the Purchaser with a refund of the the Property Deposit together with a sum equivalent to the amount of the Property Deposit as liquidated damages and the reimbursement / payment (as the case may be) of stamp duty of the Property.

Definitive Agreement. The Provisional SPA is subject to the signing of a formal agreement for sale and purchase on or before 16 May 2014.

4. FINANCIAL EFFECTS

Solely for illustration only and based on the Company's consolidated financial statements for its most recently completed financial year ended 31 December 2013 ("**FY2013**"), this section sets out the financial effects of a disposal of the Property at the Consideration, *inter alia*, on the Earnings/(Loss) per Share ("**EPS**") and the Net Tangible Assets ("**NTA**") of the Company.

4.1 Excess or Deficit of Proceeds over Book Value

A disposal of the Property at the Consideration will yield proceeds of HK\$12.0 million and gain of HK\$8.1 million over the Property's net book value of HK\$3.9 million.

4.2 EPS

	FY2013	Assuming completion a disposal of the Property at the beginning of FY2013
Profit/(Loss) attributable to Shareholders (HK\$'000)	1,119	9,206
Number of Shares ('000)	354,671	354,671
Earnings/(Loss) per Share (HK cents)	0.33	2.6

Notes:

- (1) Weighted average number of ordinary shares in issue for HY2014.

4.3 NTA

	FY2013	Assuming completion a disposal of the Property at the end of FY2013
NTA (HK\$'000)	19,818	27,694

	FY2013	Assuming completion a disposal of the Property at the end of FY2013
Number of Shares ('000)	354,671	354,671
NTA per Share (HK cents)	5.6	7.8

4.4 Share Capital

As at the Latest Practicable Date, the issued and fully paid-up share capital of the Company is HK\$3,547,000 comprising 354,670,638 ordinary shares. Upon completion of the Proposed Disposal, the issued and fully paid-up share capital of the Company will remain the same.

5. Use of Proceeds

The Company intends to utilise the proceeds from the Proposed Disposal for the following purposes:

	Purpose	Percentage (%)
1.	Reduce bank loan and financing	80
2.	Working Capital	20

6. RELATIVE FIGURES AS SET OUT IN RULE 1006 OF THE LISTING MANUAL

For illustrative purposes only, the relative figures computed on the bases pursuant to Rules 1006(a) to (d) of the Listing Manual based on the latest announced consolidated accounts of the Group, are as follows:

Listing Rule		Relative Figures based on a disposal at the Current Market Value
1006(a)	Net asset value ¹ of the Property to be disposed being HK\$3.9 million, compared with the Group's net asset value of HK\$19.8 million as at 31 December 2013 (audited).	19.8%
1006(b)	Net profits ² of HK\$n.a. ³ attributable to the Property to be disposed, compared with the Group's net profit of HK\$2.9 million for the year financial year ended 31 December 2013 (audited).	n.a. ³
1006(c)	Aggregate value of consideration received for the disposal of the Property, compared with the Company's market capitalisation being HK\$59 million ⁴ based on the number of issued Shares excluding treasury shares, being 354,670,638	20.2%

Listing Rule		Relative Figures based on a disposal at the Current Market Value
	ordinary shares	
1006(d)	The 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

Notes:

- (1) Under Rule 1002(3)(a), “net assets” means total assets less total liabilities.
- (2) Under Rule 1002(3)(b), “net profits” means profit before income tax, minority interests and extraordinary items in the latest announced consolidated accounts of the Group.
- (3) None attributable as the Property is used for directors’ housing, there are no rental income.
- (4) Based on the weighted average price of the Shares being S\$0.027, traded on the SGX-ST on the Latest Practicable Date, converted at the Exchange Rate of S\$1 to HK\$6.19 on the Latest Practicable Date.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Disposal will be considered a major transaction for the purposes of Chapter 10 of the Listing Manual.

Accordingly, an extraordinary general meeting (“**EGM**”) of the Company will be convened to seek Shareholders’ approval for the Proposed Disposal and a circular containing further details of the Proposed Disposal and enclosing the notice of the EGM in connection therewith will be dispatched to Shareholders in due course.

7. INTEREST OF DIRECTORS

Save for their respective shareholdings in the Company and that the Property was used for Directors’ housing, none of the Directors of the Company has any interest or are deemed to be interested in the Proposed Disposal.

8. SERVICE CONTRACTS

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Provisional SPA is available for inspection during normal business hours at the office of the Company’s Share Registrar and Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
15 May 2014