

JOYAS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration No. 38991)

RESPONSES TO QUERIES RAISED BY THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (the “**Board**”) of Joyas International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) sets out below the Company’s responses to queries raised by the Securities Investors Association (Singapore) (the “**SIAS**”) on 19 April 2024, with reference to the Company’s announcement dated 12 April 2024 (the “**Announcement**”) regarding the Company’s annual report for the financial year ended 31 December 2023.

SGX Queries	Company’s Responses
<p>Question 1: In the annual report, the chairman disclosed that the group is in negotiations with several potential targets on an acquisition or cooperation opportunity although no definitive agreement has been reached yet.</p> <p>As at 31 December 2023, the group has net assets of approximately HK\$11.0 million.</p>	
<p>(i) Can the chairman clarify the types of opportunities the company is currently considering for investment?</p>	<p>The deals currently under consideration or negotiation encompass various sectors such as mining, property-related ventures, and catering. It is important to highlight that as of now, no definitive agreement has been reached.</p> <p>As for fintech and blockchain related services, there are no developments in the joint co-operation agreement with Splendid Powerful Limited as of the date of this announcement and the Company will provide updates when there are material developments.</p>
<p>(ii) How did the group get introduced to the “potential targets” and has the board had carried out deal sourcing via established and reputable investment banks or advisors?</p>	<p>The Group does not have a specific deal sourcing channel. Deal sourcing can come from various avenues, including professionals such as investment banks or advisors, business associates, or other approaches. In the case</p>

	mentioned, the aforementioned targets were introduced by business associates.
(iii) Would any potential deal likely result in a reverse takeover of the company given the current scale of the company?	The potential deals if they take place may result in a reverse takeover.
(iv) What is the board's experience in deal sourcing, deal structuring, due diligence and deal valuation?	The Board believes it has the necessary experience in deal sourcing, deal structuring, due diligence, and deal valuation. This is because the Board consists of members with backgrounds in finance, legal, accounting, and business. Please refer to the profile of the board in the annual report. In addition, the Board will also engage professionals as needed to provide assistance in these areas.
<p>Question 2: The group has a financing business which had loans and advances totalling HK\$15.4 million as at 31 December 2023. The loans to six customers represented 59% of the group's total assets. Essentially, the group has borrowings of HK\$14.2 million and made loans of HK\$15.4 million to customers in the financing business. The group also holds cash of HK\$10.2 million.</p> <p>Efforts by the group to diversify into business have not taken off – for example, in January 2022, the group entered into a joint cooperation agreement to provide fintech and blockchain related services.</p>	
(i) Can the board, especially the independent directors, clarify whether they have assessed the size of the company's operations?	The Board, including the independent directors, believes that the size of the company's operations has potential for growth in the future. They are committed to exploring opportunities to expand the Company's operations. Regarding the current staff level and level of expenses, including professionals, the Board considers them reasonable in relation to the company's turnover.
In addition, the executive director and chief executive director, Vincent Cheung Chun Wai, was paid a salary of HK\$60,000 for FY2023.	

<p>The company states that the sole key executive officer, Lui Mui Ching, was also paid HK\$60,000 for FY2023.</p>	
<p>(i) Is there a potential concern that SGX RegCo might classify the company as a cash company (or one that is lacking a viable business) and/or question the group’s ability to continue as going concern?</p>	<p>Currently, the Board believes that the Company has a viable business and sufficient operations, including having sufficient revenue to meet its expenses, to support its ability to continue as a going concern. The Board plans to grow the Group if such opportunities arise. Additionally, the Board does not consider the Company to be a cash company, as it has a net borrowing position and a significant portion of the Group's assets (net of borrowings) have been utilized in working capital. Therefore, the Board does not perceive any immediate concern regarding SGX RegCo classifying the company as a cash company or questioning its ability to continue as a going concern.</p>
<p>(ii) For the benefit of new and long-standing shareholders, can the independent directors update shareholders on the group’s strategic direction?</p>	<p>The Board (including the Independent Directors) would like to update that the Group will continue to explore opportunities to raise additional funds (by equity or debt or both) to expand the working capital base of the Group to support the financing business, when the need arises. In addition, it will continue to explore new potential targets on an acquisition of cooperation opportunity.</p>
<p>Question 3: As disclosed in the corporate governance report, the internal audit function of the group is outsourced to David Ho & Company (“IA”).</p> <p>The company has disclosed that the IA is a member of the Institute of Internal Auditors in Hong Kong. The internal auditor work carried out by David Ho & Company is guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</p> <p>The scope of the internal audit for 2023 was to <i>“review the documentation in respect of</i></p>	

<p><i>compliance with the internal control policies and procedures implemented by the Group on Anti-Money Laundering (“AML”) and Counter-Terrorist Financing (“CTF”).</i></p>				
<p>(i) What input did the audit committee (AC) give to the internal auditors regarding the scope of the internal audit?</p>		<p>The audit committee provides input to the internal auditors by reviewing their scope of work, examining the internal audit report, and engaging in discussions with the internal auditors as necessary.</p>		
<p>(ii) What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?</p> <p>The scope of the internal audit in the past were as follows:</p> <table border="1" data-bbox="240 875 887 1632"> <tr> <td data-bbox="240 875 344 1632"> <p>2022</p> </td> <td data-bbox="344 875 887 1632"> <ul style="list-style-type: none"> - Review the current internal control policies and procedures currently implemented by the Group on AML/CTF compliance and to provide possible recommendation for improvements, if any; - Review documentation in respect of customer due diligence, record keeping, ongoing monitoring, reporting of suspicious transactions and screening of persons and entities designated by the United Nations Security Council in relation to financial sanctions - and terrorist financing, and to identify non-compliance, if any. </td> </tr> </table>	<p>2022</p>	<ul style="list-style-type: none"> - Review the current internal control policies and procedures currently implemented by the Group on AML/CTF compliance and to provide possible recommendation for improvements, if any; - Review documentation in respect of customer due diligence, record keeping, ongoing monitoring, reporting of suspicious transactions and screening of persons and entities designated by the United Nations Security Council in relation to financial sanctions - and terrorist financing, and to identify non-compliance, if any. 		<p>The audit committee provides oversight by reviewing and, where applicable, following up on the plan of action taken by management in response to the recommendations.</p>
<p>2022</p>	<ul style="list-style-type: none"> - Review the current internal control policies and procedures currently implemented by the Group on AML/CTF compliance and to provide possible recommendation for improvements, if any; - Review documentation in respect of customer due diligence, record keeping, ongoing monitoring, reporting of suspicious transactions and screening of persons and entities designated by the United Nations Security Council in relation to financial sanctions - and terrorist financing, and to identify non-compliance, if any. 			

2021	<ul style="list-style-type: none"> - Review the system of internal controls of both the Company and the principal subsidiary, CCIG Financial Services Limited (“CCIG”), the only principal operating subsidiary of the Group, to determine if they are adequate and effective; - Review the CCIG internal control system and procedures for compliance in respect of the Company’s financing business, reporting of summary of loans and collection status to management and Board of CCIG and the Company; - Select one case from the loan portfolio of CCIG that has not been selected in prior years for compliance test with the internal control system with comments, if any. 	
<p>Has the AC developed a multi-year internal audit cycle plan? It would appear that the scope of the internal audit for 2023 and 2022 are largely the same.</p>		<p>The internal audit cycle plan is developed based on the materiality of balances and risk areas for FY2023 and FY2022. Given that the finance business is a key part of the Group's operations, the internal audit primarily focuses on issues related to the loan portfolio. Therefore, the scope of the internal audit for 2023 and 2022 may appear largely the same due to the continued relevance and significance of these areas. The main difference in FY2022 compared to FY2023 is the focus on internal control policies and procedures currently implemented by the Group on AML/CTF compliance in FY2022 and the review of documentation in respect of compliance with the internal control policies and procedures implemented by the Group on AML and CTF in FY2023.</p> <p>In addition, the audit committee also takes into consideration any changes in regulatory requirements,</p>

	<p>emerging risks, and significant business developments when developing the multi-year internal audit cycle plan. The plan aims to ensure comprehensive coverage of key areas and to address any evolving risks that may impact the group's operations. While there may be similarities in the scope of the internal audit for consecutive years, the audit committee continuously assesses and adjusts the plan to address any new or changing risks and to provide appropriate oversight. For FY2022 and FY023, there no major changes in regulatory requirements, emerging risk and business developments.</p> <p>Finally, the audit committee will also follow up if the recommendations by the internal auditor in the previous year (if applicable) has been resolved.</p>
--	---

By Order of the Board
Joyas International Holdings Limited

Vincent Cheung Chun Wai
Executive Director and Chief Executive Officer
24 April 2024

*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.*

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.