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Issuer: Joyas International Holdings Limited

Stock code: E9L

Meeting details:

Date: 29 Apr 2024

Time: 3.00 p.m.

Venue: 1 Robinson Road #18-00, AIA Tower, Singapore 048542

Q1. 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.

As at 31 December 2023, the group has net assets of approximately HK\$11.0 million.

- (i) **Can the chairman clarify the types of opportunities the company is currently considering for investment?**
- (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?**
- (iii) **Would any potential deal likely result in a reverse takeover of the company given the current scale of the company?**
- (iv) **What is the board’s experience in deal sourcing, deal structuring, due diligence and deal valuation?**

Q2. 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.

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.

- (i) **Can the board, especially the independent directors, clarify whether they have assessed the size of the company's operations?**

In addition, the executive director and chief executive director, Vincent Cheung Chun Wai, was paid a salary of HK\$60,000 for FY2023. The company states that the sole key executive officer, Lui Mui Ching, was also paid HK\$60,000 for FY2023.

- (ii) **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?**
- (iii) **For the benefit of new and long-standing shareholders, can the independent directors update shareholders on the group's strategic direction?**

Q3. As disclosed in the corporate governance report, the internal audit function of the group is outsourced to David Ho & Company (“IA”).

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.

The scope of the internal audit for 2023 was to “review the documentation in respect of compliance with the internal control policies and procedures implemented by the Group on Anti-Money Laundering and Counter-Terrorist Financing”.

- (i) **What input did the audit committee (AC) give to the internal auditors regarding the scope of the internal audit?**
- (ii) **What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?**

The scope of the internal audit in the past were as follows:

2022	<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.

- (iii) **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.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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