

Y-VENTURES
FIND YOUR EDGE

Annual Report 2021

This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Leong Weng Tuck, Registered Professional, RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580. Email: sponsor@rhtgoc.com. Telephone: +65 6381 6888.

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CORPORATE PROFILE

OUR BUSINESS

We are a data analytics driven, e-commerce retailer and distributor specialising in online retail data analytics, marketing, distribution and sale of a range of merchandises, mainly books and journals, under third party brands. We generate profit through the sale of merchandises under third party brands. We utilise our data analytics capabilities of analysing demand trends, pricing intelligence, consumer sentiment and market competition analysis to streamline research and marketing efforts to enhance our sales results and improve cost efficiency on various online marketplaces, and to enhance global market penetration in respect of our merchandises.

(i) Our E-Commerce Retail and Distribution Business

Third Party Brands

We market and distribute a range of merchandises, mainly books and journals, under third party brands through online marketplaces under a distribution model. We provide value to our suppliers and principals by leveraging on our data analytics capabilities to promote, market and sell their merchandises to reach their target global markets. Our in-house developed software for data analytics, analysis of demand trends and customised research and marketing efforts could provide a better platform to enhance the sales results and improve cost efficiency than self-managed sales channels by brands or third party service providers. Additionally, our expertise and established reputation on the various online marketplaces in different jurisdictions reach out to more sales channels globally as compared to our suppliers and principals using self-managed sales channels. We capitalise on our data analytics capabilities to analyse demand trends of specific books and journals, and analyse consumer sentiment as well as market saturation, to strategise for the sale of our books and journals. The merchandises which we market and distribute are currently targeted for sale on online marketplaces namely in the United States of America.

Website: <https://yventures.com.sg>

(ii) Our Logistics and Freight Forwarding Services

We keep most of our stocks in third party warehouses managed by various third party logistics companies. The merchandises which are stored in third party warehouses are delivered by last-mile fulfilment service providers in the respective jurisdictions in which these merchandises are sold. Our subsidiary, Skap Logistics Pte. Ltd., mainly supports our e-commerce retail and distribution business by working closely with these third party logistics companies and last-mile fulfilment service providers for our warehousing and order fulfilment requirements. From time to time, we provide logistics and freight forwarding services to third party customers.

Website: www.skaplogistics.com

(iii) Our Waste Management Services

Apart from our e-commerce retail and distribution business and logistics and freight forwarding services, we also carry on the business of providing waste management services in Singapore known as "Junk To Clear" under our subsidiary, Skap Waste Management Pte. Ltd.

Website: www.junktoclear.com.sg

(iv) Our Supplementary Services

From time to time we provide supplementary ad-hoc services which include the provision of data services and e-commerce market access for non-books brands by leveraging on our data analytics capabilities.

CHAIRMAN'S STATEMENT

Dear Shareholders,

2021 has been a challenging year for the Group. The Group's revenue reduced by 12.8% or US\$4.50 million from US\$35.02 million in 2020 to US\$30.52 million in 2021. The COVID-19 pandemic has placed stress on the supply chain network supporting the E-commerce industry which has affected the timely movement of our inventory as well as logistics costs involved to meet the demand of our customers.

The loss before tax was US\$1.53 million in 2021 compared to a profit of US\$0.85 million in 2020. Despite the loss, the Group has taken steps to streamline and position itself for recovery and growth in 2022 and beyond through the following:

STRENGTHENING OF CORE BUSINESS

The Group still sees robust demand and opportunities in the e-commerce business, as the supply chain network congestions and logistic issues should subside as the COVID-19 pandemic situation improves.

The Group over the last year has strengthened its core business operating team, and in 2022 is focusing on opening new markets in the United Kingdom and South East Asia, to diversify from the United States online market we have been traditionally been serving. We are also looking to onboard new book publishers which will broaden our product offerings in the online market places.

In 2021, The Group granted share awards under the Y Ventures Performance Share Plan to selected key employees of the Company of US\$0.27 million, which has also contributed to the increase in administrative expenses as a non-cash item. Nevertheless, we see this as aligning and incentivizing our key employees to grow with the Group.

STRENGTHENING OUR BALANCE SHEET

With the continued support and strengthening of relationships with our major book publishers, we are receiving better credit terms from them. Our average inventory holding has decreased by approximately 57.2% and average trade payable also decreased substantially as a result of better credit management with publishers. Further, the Group continues to exercise prudence in non-essential capital and operating expenditures and ensuring it has sufficient liquidity to meet its near-term debt obligations and operational needs, and

has untapped credit lines to meet higher demand should the need arise.

Moving forward, the Group continues to strengthen its core data analytics capability and expand its applications, while maintaining prudence on the Group's cost and cash management, as well as continuously reviewing its operations to keep administrative expenses lean and improve overall cost efficiency.

LOOKING OUT FOR MERGERS AND ACQUISITIONS, JOINT VENTURES AND INVESTMENT OPPORTUNITIES

Share placements performed in previous financial years allows the Group to increase our working capital, thus permitting the Group to acquire more inventory to strengthen its existing core businesses and pursue business opportunities which will enable the Group to diversify its long-term revenue stream.

As announced by the Company on 12 August 2021, the Group had entered into a binding term sheet for the subscription and acquisition of 50.01% stake in Toyrrential Pte. Ltd. with the consideration of S\$250,001. This will allow the group to start taking a small step to diversify its revenue base.

We will continue to identify suitable synergistic opportunities to leverage on strengthening the Group's position through further technological innovation as well as explore other growth opportunities through Mergers and Acquisitions, Joint Ventures and Investments as part of our business strategies.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, we would like to take this opportunity to express our utmost gratitude to the management team, staff and business partners for their continued hard work and dedication in the face of the extreme challenges encountered during the prolonged COVID-19 global pandemic. We would also like to thank our shareholders and suppliers for their continued support and faith in the Group. With your continued support, we look forward to an improved year for 2022!

Thank you.

Mr. Lew Chern Yong, Eric

Executive Chairman and Director, Y Ventures Group Ltd.

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)

Revenue

The revenue decreased by 12.8% or US\$4.50 million from US\$35.02 million in 2020 to US\$30.52 million in 2021. The decrease was mainly due to a decrease in the sales of books on online marketplaces. The COVID-19 pandemic has placed stress on the supply chain network supporting the E-commerce industry which has affected the timely movement of our inventory as well as logistics costs involved to meet the demand of our customers.

The breakdown of revenue is as follows:

	The Group	
	2021	2020
Revenue	US\$	US\$
Sales of goods	29,803,261	34,460,123
Service income	716,959	558,743
	30,520,220	35,018,866

The decrease in revenue from the sales of goods in 2021 was mainly attributable to the book sales amounting to US\$34.60 million in 2020 as compared to US\$29.80 million in 2021.

The Group's revenue from service income is largely derived from our waste management services amounting to US\$0.42 million in 2020 as compared to US\$0.69 million in 2021.

Cost of sales

The cost of sales decreased by 9.9% or US\$2.06 million from US\$20.93 million in 2020 to US\$18.87 million in 2021 mainly due to the corresponding reduction in sales. In 2020, there was a higher write-down of inventories of US\$112,658 compared to US\$47,244 in 2021.

Gross profits

The Group's gross profit decreased by 17.3% or US\$2.44 million, from US\$14.09 million in 2020 to US\$11.65 million in 2021 being cushioned by the drop in Cost of sales.

The Gross profit margin declined from 40.2% in 2020 to 38.2% in 2021.

Other income

The other income decreased by 44.0% or US\$0.33 million from US\$0.76 million in 2020 to US\$0.43 million in 2021 where the Company received lower government subsidies for wage credit and job support schemes in respect of COVID-19 pandemic.

Selling and distribution expenses

The selling and distribution expenses decreased slightly by 5.0% or US\$0.51 million from US\$10.33 million in 2020 to US\$9.82 million in 2021 mainly due to the corresponding reduction in sales.

Administrative expenses

The administrative expenses increased by 4.0% or US\$0.14 million from US\$3.61 million in 2020 to US\$3.75 million in 2021 mainly due to the volatility of the foreign exchange between United States Dollar against the Sterling Pound where the foreign exchange loss of US\$0.08 million in 2020 as compared to US\$0.18 million in 2021. Apart from the above, the grant of share awards under the Y Ventures Performance Share Plan (the "Awards") to selected employees of the Company in 2Q 2021 of US\$0.27 million has also contributed to the increase in administrative expenses and offset with the reversal of impairment loss on investment property of US\$0.13 million.

Finance costs

The finance costs decreased by 35.6% or US\$20,474 from US\$57,471 in 2020 to US\$36,997 in 2021 due to lower utilisation of credit facilities.

Loss for the year

The loss before tax was US\$1.53 million in 2021 compared to profit of US\$0.85 million in 2020 was mainly due an increase in administrative expenses of US\$0.14 million, a decrease in gross profit of US\$2.44 million and other income of US\$0.33 million; offset by a decrease in selling and distribution expenses of US\$0.51 million.

FINANCIAL REVIEW

REVIEW OF FINANCIAL POSITION (STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets decreased by 50.9% or US\$12.61 million from US\$24.80 million as at 31 December 2020 to US\$12.19 million as at 31 December 2021. This was mainly due to the decrease in inventories and cash and bank balances and contract assets and offset against the increase in trade and other receivables.

Non-current assets

Non-current assets increased by 16.0% or US\$0.23 million from US\$1.44 million as at 31 December 2020 to US\$1.67 million at 31 December 2021. This was primarily due to the reduction in right-of-use assets and property, plant and equipment and offset against the increase in investment property that relates to the reversal of impairment and goodwill in relation to the acquisition of subsidiary in August 2021.

Current liabilities

The current liabilities decreased by 53.8% or US\$11.15 million from US\$20.71 million as at 31 December 2020 to US\$9.56 million as at 31 December 2021. This was mainly due to the decrease in borrowings and trade and other payables from the purchase of inventories.

Non-current liabilities

Non-current liabilities remain relatively stable at US\$0.92 million as at 31 December 2020 and 31 December 2021.

Working capital

The Group working capital decreased by 35.7% or US\$1.46 million from US\$4.09 million as at 31 December 2020 to US\$2.63 million as at 31 December 2021.

Shareholders' equity

The Group's shareholders' equity attributable to equity holders decreased by 28.5% or US\$1.31 million from US\$4.57 million as at 31 December 2020 to US\$3.26 million as at 31 December 2021 mainly due to loss incurred in 2021.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOWS)

Net cash flow generated from operating activities for 2021 was US\$0.47 million, comprising mainly operating cash outflow before working capital of approximately US\$1.07 million and offset working capital inflow of US\$1.61 million. The working capital inflow was largely due to decreased in purchase of inventories of US\$12.60 million and offset by an increase in trade and other receivables of US\$0.56 million and decrease in trade and other payables of US\$10.41 million.

Net cash used in investing activities of US\$0.03 million was mainly from purchase of property, plant and equipment.

Net cash used in financing activities of US\$0.24 million was mainly from the repayment of borrowings and lease liabilities and interest paid.

Overall, the cash and cash equivalents of the Group increased in 2021, ending the year with cash and cash equivalents of US\$1.54 million.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Lew Chern Yong (Eric Lew)
Executive Chairman and Director

Mr. Low Yik Sen
Managing Director

Mr. Low Yik Jin
Chief Executive Officer and Executive Director

Mr. Edward Tiong Yung Suh
Lead Independent Director

Mr. Tan Chade Phang
Independent Director

Mr. Ng Tiong Gee
Independent Director

Mr. Tan Jia Kien
Independent Director

AUDIT COMMITTEE

Mr. Tan Chade Phang (*Chairman*)
Mr. Edward Tiong Yung Suh
Mr. Ng Tiong Gee
Mr. Tan Jia Kien

NOMINATING COMMITTEE

Mr. Tan Jia Kien (*Chairman*)
Mr. Edward Tiong Yung Suh
Mr. Tan Chade Phang
Mr. Ng Tiong Gee

REMUNERATION COMMITTEE

Mr. Edward Tiong Yung Suh (*Chairman*)
Mr. Tan Chade Phang
Mr. Ng Tiong Gee
Mr. Tan Jia Kien

COMPANY SECRETARY

Ms. Wee Woon Hong, LLB (Hons)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

6001 Beach Road
#09-01, Golden Mile Tower
Singapore 199589
Telephone: +65 6802 5398
<https://yventures.com.sg>

SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay, #24-02
Singapore 048580

INDEPENDENT AUDITOR

Baker Tilly TFW LLP
600 North Bridge Road
#05-01, Parkview Square
Singapore 188778
Partner-in-charge: Ms. Guo Shuqi
(A member of the Institute of Singapore Chartered Accountants)
(Appointed since the financial year ended 31 December 2021)

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08, Prudential Tower
Singapore 049712

BOARD OF DIRECTORS

LEW CHERN YONG (ERIC LEW)

Executive Chairman and Director
Appointed on: 1 March 2019

Eric Lew is our Executive Chairman and Director of the Group. He is responsible for driving the Group's strategic direction and growth, as well as providing mentorship and guidance to senior management. He serves on the Alumni Advisory Board of Nanyang Business School (NTU NBS), Board of Director of Northlight School, and Exco committee of the Waste Management and Recycling Association (WMRAS). He started his career as an auditor with KPMG LLP after obtaining a Bachelor's Degree in Accountancy with minor in Banking and Finance from the Nanyang Technological University in 1997.

LOW YIK JIN (ALEX LOW)

Chief Executive Officer and Executive Director
Appointed on: 2 January 2013

Alex Low is the Co-founder of Y Ventures Group, and serves as the Group's Chief Executive Officer and Executive Director. He is responsible for the overall day-to-day management of the Group including business strategy, ecommerce operations, data and technology development. He has accumulated decades of experience in the e-commerce market since 2003 when he co-founded the business that became Y Ventures Group. He graduated from the University of Washington with a Bachelor of Science majoring in Applied and Computational Mathematics. He further obtained his Master in Business Administration from Peking University.

LOW YIK SEN (ADAM LOW)

Managing Director
Appointed on: 2 January 2013

Adam Low is the Co-founder of Y Ventures Group, and serves as the Group's Managing Director. He is responsible for overseeing the solutions division of the Group, focusing on the provision of ecommerce and training solutions, as well as the logistics division of the Group. He has accumulated decades of experience in the e-commerce market since 2003 when he co-founded the business that became Y Ventures Group. Prior to founding our Y Ventures Group, he spent 6 years with the Singapore Armed Forces ("SAF"). His experience during his time with the SAF includes a secondment with the Defence, Science and Technology Agency. He graduated with a Diploma in Electronics Engineering from Temasek Polytechnic and is a Spirit of Enterprise Honouree 2017.

EDWARD TIONG YUNG SUH

Lead Independent Director
Appointed on: 29 May 2017

Edward Tiong is the Lead Independent Director and the Remuneration Committee Chairperson of our Group. He has been with Allen & Gledhill LLP since 1998 and is currently the Deputy Head of the Restructuring & Insolvency Practice, where his main areas of practice are corporate restructuring and insolvency, commercial and banking litigation and property disputes. He has been lead counsel in several high-profile cases, in particular, restructuring matters (both cross border and domestic), and commercial disputes. He also provides legal advice to statutory boards, government-linked companies, major banks, corporate and financial institutions on schemes of arrangements and compromise, judicial management, liquidation, bond defaults and clawbacks. In litigation matters, he has represented major banks, as well as blue chip companies in private banking, construction, property, fraud, commercial disputes and fraud investigations. From 2010 to 2011, Edward Tiong served as an independent director and a member of the audit committee of Japan Land Limited, which was then listed on the Main Board of the SGX-ST. Edward Tiong graduated from the University of Hull with a Bachelor of Law (Honours) degree in 1996 and was called to the Singapore Bar in 1998. He is also a Fellow of the Insolvency Practitioners Association of Singapore Limited (IPAS) since 2008.

BOARD OF DIRECTORS

NG TIONG GEE

Independent Director

Appointed on: 29 May 2017

Ng Tiong Gee is one of our Independent Directors and the Nominating Committee Chairperson of our Group. He is currently serving as an independent director of 8VI Holdings Limited since 2021, as a lead independent director of Pacific Radiance Ltd. since 2013 and as an independent director and chairperson of the remuneration committee of GYP Properties Limited since 2007. Both Pacific Radiance Ltd. and GYP Properties Limited are listed on the SGX-ST. From 2013 to 2016, He served as Senior Vice-President of Resorts World at Sentosa Pte. Ltd., where he was overseeing and managing the Information Technology, Engineering and Estate Management departments. Between 2008 and 2013, he was the Chief Information Officer and Chief Human Resource Officer of United Test and Assembly Center Ltd. From 2001 to 2008, he was with STATS ChipPAC Pte. Ltd. where he left as the Senior Vice-President of the Human Resources and Information Technology departments. He also currently serves as a member of the Electronics & Info-Tech Academic Advisory Committee of the Institute of Technical Education. He obtained a Master in Business Administration (Accountancy) from Nanyang Technological University in 1999 and went on to complete the Advanced Management Programme at Harvard Business School in 2003.

TAN CHADE PHANG (ROGER TAN)

Independent Director

Appointed on: 1 August 2021

Roger Tan is one of our Independent Directors and the Audit Committee Chairperson of our Group. He is the Chief Executive Officer and founder of Voyage Research since 2009 till present. Prior to setting up Voyage Research, he was an Investment Analyst with Standard Chartered Bank Singapore from 2007 to 2008, and was also the lead Investment Analyst in SIAS Research from 2005 to 2006. Currently, he is the President of the Small and Middle Capitalisation Association (SMCCA), where he actively gathers small and middle capitalisation companies within a single entity to work closely with the authorities and professionals to improve the visibility and governance standards of its members. He also currently sits on the Board of REVEZ Corporation Ltd, OUE Lippo Healthcare Limited and Luminor Financial Holdings Ltd as an Independent Director. He sat on the Board of TBK & Sons Holdings Limited as an Independent Director from September 2019 to October 2020. He graduated with a Bachelor of Business in Accountancy degree from RMIT University and obtained a Master of Finance degree from the same university.

TAN JIA KIEN (FELIX TAN)

Independent Director

Appointed on: 14 October 2019

Felix Tan is one of our Independent Directors and the Nominating Committee Chairperson of our Group. He is currently the Mentor-in-Residence and former Managing Director of The Finlab Pte. Ltd. and has more than 15 years of market entry and business experience. He was the Business Development Director of Wong Fong Research and Innovation Centre in 2015. From 2011 to 2015, he was active in Performance Leadership Pte. Ltd. as an Associate Director conducting management training for local SMEs, and as a mentor at NTU Ventures Private Limited (now known as NTUitive) to undergraduate students aspiring to be entrepreneurs. From 2007 to 2010, he was the Vice President (Deposits) and Head of finatiQ.com at Oversea-Chinese Banking Corporation Limited ("OCBC"), responsible for strategic and business planning to grow both AUM (Assets Under Management) and earned fees. Before his stint at OCBC, he was one of the founders of SilkRoute Ventures Pte Ltd, one of the pioneering internet companies during the initial dot-com boom where Pacific Century Cyberworks Limited took a 25% stake at a US\$100 million valuation in 1999. He graduated from Kent State University, Ohio (USA) in 1988 with a Bachelor of Science (Applied Mathematics and Computer Science).

KEY MANAGEMENT

LAM MAY YIH (MAGGIE LAM)

Chief Financial Officer

Appointed on : 9 May 2020

Maggie Lam is our Chief Financial Officer. She is responsible for the overall Group's financial activities and accounting operations, compliance, corporate governance, accounting functions and providing financial strategic planning, budgeting and forecasting of the Group. Prior to joining our Group, she was the Chief Financial Officer of Falcon Energy Group Limited from February 2017 to May 2020, Chief Financial Officer of Technics Oil & Gas Limited from May 2016 to January 2017, Financial Controller at Ezion Holdings Limited from June 2015 to May 2016 and Group Financial Controller at Technics Oil & Gas Limited from December 2007 to June 2015. She is a member of the Institute of Singapore Chartered Accountants (ISCA) and also the fellow member of the Association of Chartered Certified Accountants (ACCA).

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Y Ventures Group Ltd. (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "**Group**").

This report outlines the Company's main corporate governance practices that were in place since our listing during the financial year ended 31 December 2021 ("**FY2021**") with reference to the principles set out in the Code of Corporate Governance 2018 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Guide**"). The Company has complied with the principles and provision as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and the Guide.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provisions 1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholders' value.

Apart from its statutory and fiduciary responsibilities, the primary functions of the Board are to perform their roles and responsibilities laid out under the Code and the Board's terms of reference. Please refer to Table A set out on pages 41 to 44 of this Annual Report for the composition and primary functions of the Board.

The Board objectively makes decisions in the best interest of the Group. Any Director facing a conflict of interests will recuse him or herself from participating discussions and decisions on the matter involving the issue of conflict. All Directors are subject to an annual declaration of conflict of interests and as soon as they are aware of circumstances giving rise to such conflict.

Provisions 1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

CORPORATE GOVERNANCE REPORT

To keep the Directors abreast of development in the Group's industries as well as the Company's operations, the Board is briefed by the Management on the development and progress of the Group's key operations.

During FY2021, outside of the mandatory full and quarterly board meetings, the Board was provided with periodic updates on the Group's operations and business.

Where necessary, the Directors regularly update themselves on their duties and responsibilities as directors, changes to any relevant laws and regulations such as the Listing Rule of the SGX-ST (the "**Catalist Rules**"), the Code, the Companies Act 1967 of Singapore (the "**Companies Act**"), etc. and changing commercial risks.

If regulatory changes have a material impact on either the Group or the Directors, the Management will update the Directors during the Board meetings. The Company Secretary (and/or their representatives) also briefs the Directors on key regulatory changes, while Baker Tilly TFW LLP, the Company's external auditor (the "**External Auditor**") briefs the Audit Committee of the Company on key amendments to the accounting standards.

The Board recognises the importance of ongoing training and development for the Directors so as to enable them to serve effectively and contribute to the Board. Newly appointed Director will undergo an appropriate orientation program to provide them with an overview of the business, trends, operations of the Group. Every Director is provided with opportunities to attend additional training to further enhance their skills in performing their duties as a director, including attending courses and/or events organised by the Singapore Institute of Directors ("**SID**") at the Company's expense.

For newly appointed Director who does not have prior experience as director of a company listed on the SGX-ST, the training programmes conducted by SID as prescribed by the SGX-ST, namely, Listed Entity Director ("**LED**") Programme will be arranged immediately so as to equip them with the skills and knowledge to discharge their statutory and fiduciary duties.

Trainings and/or seminars attended by the Directors during FY2021 are listed below:-

Name of Director	Title of Training Session/Seminar
Edward Tiong Yung Suh	<ul style="list-style-type: none"> • A&G Law: Ethics & Professional Responsibility • SIAC Malaysia: The Interplay between Arbitration and Insolvency: Perspectives from Malaysia and Singapore • A&G Law: Cyberattacks and Data Breaches: What to do? • NUS Seminar and Book Launch: Landlord & Tenant Law - Pandemics and the Way Forward • SID Directors Conference: Asia's Renaissance - The New Era of Recovery & Reopening • LawSoc: Singapore Insolvency Conference 2021
Ng Tiong Gee	SID Directors Conference: Asia's Renaissance - The New Era of Recovery & Reopening
Tan Jia Kien	SID Corporate Governance Roundup 2021

CORPORATE GOVERNANCE REPORT

Provisions 1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board has adopted a set of internal guidelines setting forth matters that specifically require the Board's approval, which include:

- Allotment and issuance of new shares in the Company;
- Grant of share awards under the Performance Share Plan;
- Issue of convertible bonds and warrants;
- Bank matters including opening of bank accounts, change of bank signatories, acceptance of banking facilities and issuance of corporate guarantees;
- Acquisition and realisation of shares in subsidiaries and any other companies;
- Major acquisition and disposal of assets and any proposal for investment and divestment of interests;
- Incorporation of subsidiaries, subscription of shares in subsidiaries, capitalisation of loan due from subsidiaries and appointment of corporate representative;
- Sales and purchase agreements and any other agreements entered on acquisition or disposal of assets outside the ordinary course of business;
- Approving announcements, financial results announcements for public release;
- Conducting general meetings;
- Financial and secretarial matters including approval of audited financial statements, Directors' statements, approval of annual capital expenditure, change of registered office and any proposed alteration to the Constitutions of the Company; and
- Appointment of Directors, executive officers, auditors and Power of Attorney.

Provisions 1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

The Board delegates the implementation of the business policies and day-to-day operations to the Executive Directors of the Company, namely, Mr Lew Chern Yong, Mr Low Yik Sen and Mr Low Yik Jin, as well as the Group's Management team.

To delegate effective management, the Board is further supported in its functions and has delegated certain authorities to three Board Committees, namely, Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**") (collectively, the "**Board Committees**") which have been established to facilitate and assist in the execution of its responsibilities as set out in the written terms of reference.

All Board Committees are chaired by Independent Directors and each of the Board Committees has its own terms of reference setting out the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate, and how decisions are to be taken.

The Board Committees are actively engaged and play an important role in ensuring good corporate governance of the Group. All recommendations of the Board Committees are subsequently reviewed and approved by the Board.

Please refer to Table A set out on pages 41 to 44 of this Annual Report for the composition and primary functions of the Board Committees.

CORPORATE GOVERNANCE REPORT

Provisions 1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Company is required under Rule 705(2) of the Catalist Rules to report its financial statements quarterly, commencing with the third quarter ended 30 September 2021. The Board attends meetings regularly and at least on a quarterly basis to discuss and approve the financial results and any other business of the Group. Additional Board and Board Committees' meetings are convened from time to time as may be required to address any significant matters that may arise.

The Company's constitution (the "**Constitution**") provides for meetings of the Board to be held by means of telephone conference or other simultaneous communication methods in the event when Directors are unable to attend the meetings in person. The Board and Board Committees may also make decisions by way of written resolutions.

Dates of Board and Board Committees meetings and shareholders' general meetings (i.e. annual general meeting and extraordinary general meeting) are scheduled in advance in consultation with all of the Directors. For those Directors who are unable to attend the scheduled meeting in person, they are invited to participate in the meeting via telephone or video conference.

As the safe-distancing measures and regulations imposed by the Singapore Government amidst COVID-19 transmission risks continued to be in place during FY2021, the Board and Board Committees Meetings and Annual General Meeting were held by electronic means. Even as the measures are progressively eased, the Company may continue to hold or conduct its meetings via electronic means, depending on the prevailing situation.

The number of Board and Board Committees and shareholders' general meetings held in FY2021 (for the financial period from 1 January 2021 to 31 December 2021), as well as the record of attendance of each Director during their terms as Directors and members of the respective Board Committees of the Company, are set out in Table B on page 45 of this Annual Report.

Directors with multiple listed company board representations are required to ensure that they have given sufficient time and attention to the affairs of the Company. The NC has reviewed the multiple board representations of each Director, and noted that the Directors who are holding multiple board representations have been adequately carrying out their duties as directors of the Company, and have devoted sufficient time and attention to the affairs of the Group.

CORPORATE GOVERNANCE REPORT

Provisions 1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Prior to each Board and Board Committees meetings, the members of the Board and Board Committees are each provided with complete, adequate, and timely information to ensure that the Directors have adequate time to review the same and request further explanations, where necessary. These include background and explanations of the meeting materials to the Board and Board Committees, and in respect of budgets and financial results, any material variance between the budgets and projections and actual results is disclosed and explained.

The Board also receives regular updates from the Management on any significant developments on business initiatives, and industry developments concerning the Group's business. Additional information, documents, and materials are provided to the Directors as and when required to enable them to make informed decisions and discharge their duties and responsibilities.

Provisions 1.7 Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Board has separate and independent access to the Management, the External Auditor and Internal Auditor at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed and answered by the Management.

In addition, the Directors, either individually or as a group, are provided with direct access to the Group's independent professional advisors to seek separate independent professional advice concerning any aspect of the Group's affairs or in respect of his fiduciary or other duties, where necessary. The cost of all such professional advice is borne by the Company.

The Board also has separate and independent access to the Company Secretary. The Company Secretary attends to corporate secretariat administration matters of the Company and monitors and advises on corporate governance matters, and on compliance with the Constitution, Companies Act, and the Catalist Rules.

The Company Secretary (and/or their representatives) attends all meetings of the Board and Board Committees and facilitates the effective functioning of the Board and Board Committees in accordance with their terms of reference and best practices. The appointment and the removal of the Company Secretary are subject to the approval of the Board as a whole.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1 An "independent" director" is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The NC is responsible for reviewing the independence of each Director based on the guidelines set out in both the Catalist Rules and the Code, to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. The NC conducts the review annually and requires each Independent Director to submit a confirmation of independence based on the guidelines provided in the Catalist Rules and the Code.

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines provided in the Catalist Rules and the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. Based on the confirmation of independence submitted by the Independent Directors, the NC is of the view that the Independent Director(s) of the Company, namely, Mr Edward Tiong Yung Suh, Mr Ng Tiong Gee, Mr Tan Jia Kien and Mr Tan Chade Phang are independent in accordance with both the Catalist Rules and the Code.

In view of the above, no individual or small group of individuals dominates the Board's decision making.

Provisions 2.2 Independent directors make up a majority of the Board where the Chairman is not independent.

As at the date of this Annual Report, the Board comprises seven (7) members, three (3) of whom are Executive Directors (one of which is Executive Chairman of the Board) and the remaining four (4) are Independent Directors, thus representing a majority of the Board – Mr Edward Tiong Yung Suh (Lead Independent Director), Mr Ng Tiong Gee, Mr Tan Jia Kien and Mr Tan Chade Phang.

Please refer to Table A set out on pages 41 to 44 of this Annual Report for the composition of the Board.

Provisions 2.3 Non-executive directors make up a majority of the Board.

The Board comprises seven (7) members, four (4) of whom are Independent Non-Executive Directors and representing a majority of the Board.

CORPORATE GOVERNANCE REPORT

Provisions 2.4 **The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.**

The Board currently comprises business leaders and professionals with diverse backgrounds such as legal, accounting, finance, business management and experience, industry knowledge and strategic planning. The members of the Board with the range of business management and professional experience, knowledge and expertise, provide the core competencies and objective perspective on the Group's business and direction. Information on the individual Directors' academic, professional qualifications, background and other appointment are set out in the "Board of Directors" section on pages 7 to 8 of this Annual Report.

The NC annually reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

Having considered the current scope and nature of the Group's operations, the Board is satisfied that the current composition mix and size of the Board are appropriate for the Group to facilitate independent and effective decision-making.

The Board recognises the benefits of having a diverse board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of board deliberations. While the Board and NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective in reviewing the issues that are brought before the Board and enable it to make decisions in the best interests of the Company. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 December 2022.

Provisions 2.5 **Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.**

The Independent Directors participate actively in developing strategies and in reviewing the performance of the Group. During FY2021, the Company's Independent Directors communicated regularly to discuss matters related to the Group.

Where necessary, the Lead Independent Director will chair meetings (without involvement of the Executive Directors or Management) to discuss and review the performance of the Management in meeting agreed goals and objectives of the Group and monitor the reporting of performance which subsequently provide feedback to the Board to aid and facilitate well-balanced viewpoints on the Board.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

The Board recognises that best practices of corporate governance advocate that the Chairman of the Board and the CEO should in principle be separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Mr Lew Chern Yong, the Executive Chairman of the Board, is responsible for driving the Group’s strategic direction and growth, as well as providing mentorship and guidance to the Management.

Mr Low Yik Jin, the CEO and Executive Director of the Company, is responsible for the overall day-to-day management of the Group, including business strategy, online marketplace channel expansion, online sales and technology development.

The Board ensured a clear division of roles and responsibilities between the Executive Chairman of the Board and the CEO. The Executive Chairman and CEO of the Company are not related and there is a clear division of responsibilities between their roles to ensure a balance of power and authority.

Provisions 3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

All major proposal and decisions made by the Executive Chairman and CEO are also discussed and reviewed by the Board with the assistance of the Board Committees. As each of the AC, NC and RC consists of Independent Directors and correspondingly all the three (3) Board Committees are chaired by Independent Directors, the Board believes there are strong and independent elements and adequate safeguards in place to ensure the decision-making process of the Group would not be hindered.

In addition, with the active participation of the Directors at the Board and Board Committees meetings, the Board is satisfied that the current arrangement provides sufficient checks and balances to ensure that no one individual member of the Board holds a considerable concentration of power and no individual or small group of individuals dominates the Board’s decision making, and that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

CORPORATE GOVERNANCE REPORT

Provisions 3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.

The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Edward Tiong Yung Suh is the Lead Independent Director of the Company.

The Lead Independent Director avails himself to address shareholders' concerns and acts as a counterbalance in the decision-making process. Shareholders with concerns may contact him directly through channels as described on the Company's website, in the event that contact through the normal channels via the Chairman and the Management has not provided the shareholders with satisfactory resolution, or when such normal channels of communication are appropriate. Where necessary, the Lead Independent Director will chair meetings without involvement of the Executive Directors and provide feedback to the Executive Chairman of the Board, to aid and facilitate well-balanced viewpoints on the Board.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

- the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- the review of training and professional development programmes for the Board and its directors; and
- the appointment and re-appointment of directors (including alternate directors, if any).

The NC is established and governed by its terms of reference which are approved by the Board. Please refer to Table A set out on pages 41 to 44 of this Annual Report for the composition and functions of the NC, which includes the above-listed functions, based on the terms of reference of the NC.

Provision 4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC currently comprises of four (4) members, namely Mr Tan Jia Kien (Chairman), Mr Edward Tiong Yung Suh, Mr Ng Tiong Gee and Mr Tan Chade Phang, all of whom are Independent Directors. The Lead Independent Director, Mr Edward Tiong Yung Suh is a member of the NC.

CORPORATE GOVERNANCE REPORT

Provision 4.3 **The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.**

All selection, appointment and re-appointment of Directors are reviewed and proposed/recommended by the NC.

In the search, nomination and selection process for new directors, the NC identifies the key attributes that an incoming director should have, based on the desired qualifications, skill sets, competencies and experience, which are required to supplement the Board's existing attributes and the requirements of the Company. Potential candidates will first be drawn from contacts and networks of existing Directors. If candidates identified from this process are not suitable, the NC may seek assistance from external search consultants for the selection of potential candidates.

Thereafter, the NC with the assistance of the Management, taps on the resources of directors' personal contacts and recommendations of potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, recommendations from the SID will be considered.

Interviews are set up with potential candidates for NC members to assess their sustainability, before submitting the recommendations to the Board for approval. The Board will consider the potential candidate's ability to add value to the Group's business in line with its strategic objectives. The Board is also advised by the Sponsor on the appointment of directors as required under Rule 226(2)(d) of the Catalist Rules.

The NC also reviews the succession plan for directors, in particular, the Executive Chairman, CEO and key executive, and is responsible for assessing candidates as possible new members of the Board. The Company identifies and prepares suitable candidates for key management positions by mentoring and training these candidates. All Directors submit themselves for re-nomination and re-election at least once every three (3) years. In accordance with the Company's Constitution, one-third of the Directors (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at every annual general meeting of the Company. Any Director appointed by the Board during the financial year shall hold office only until the next annual general meeting. A retiring Director shall be eligible for re-election.

The NC has recommended to the Board for Mr Low Yik Sen, Mr Ng Tiong Gee, and Mr Tan Chade Phang to retire pursuant to Regulations 117 and 122 of the Company's Constitution, respectively, for approval by the Shareholders at the forthcoming AGM of the Company. The NC makes recommendations to the Board on all Board appointments and on the composition of Executive and Independent Directors of the Board. The NC is also charged with re-nominating directors who are retiring by rotation as well as determining annually whether or not a director is independent. Please refer to Table C set out on pages 46 to 53 of this Annual Report for Disclosure of information on Directors seeking re-election for disclosures pursuant to Rule 720(5) of the Catalist Rules.

Each member of the NC shall abstain from voting on any resolutions in respect of his re-nomination as Director.

CORPORATE GOVERNANCE REPORT

Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The NC is responsible for determining annually the independence of Directors, taking into the consideration the circumstances set forth in the Catalist Rules and the Code. The relevant factors are set out under Principle 2 of the Code above. The Directors are aware of the disclosure obligations to disclose to the Board their relationships with the Company, its related corporations, its substantial Shareholders or its officers, if any, which may affect their independence.

Following its annual review of the independence of each director and the disclosures made as above by the NC is of the view that the four (4) Independent Directors on the Board, namely, Mr Edward Tiong Yung Suh, Mr Ng Tiong Gee, Mr Tan Jia Kien and Mr Tan Chade Phang are independent.

Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

Newly appointed Directors with no prior experience as director of SGX-listed company will undergo and complete the trainings in relation to the roles and responsibilities of a director of a listed company in Singapore as prescribed by the SGX-ST conducted at SID within one year from the date of his appointment to the Company as well as in other relevant areas at the expense of the Company.

The NC is mindful that such training programme prescribed by the SGX-ST for a newly appointed director with no prior experience as director of SGX-listed company is mandatory under the Catalist Rules, and will ensure the newly appointed director has detailed knowledge of his fiduciary and statutory duties and responsibilities so as to perform his duties effectively. The NC has equally noted that directors should receive further relevant training and keep abreast of new developments from time to time so as to enable them to perform their duties effectively.

The NC takes into consideration the other directorships and principal commitments of each director, and whether such directorships and principal commitments will constrain the Director in setting aside sufficient time and attention to the Company's affairs. All directors declare their board representation as and when practicable. The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as directors of the Group. The information on each directors' other appointments and other principal commitments is set out in pages 7 to 8 of this Annual Report.

CORPORATE GOVERNANCE REPORT

In assessing the capacity of the Directors, the NC takes into consideration the expected and/or competing time commitments of the Directors, size and composition of the Board, and nature and scope of the Group's operation and size.

The NC is satisfied that the Directors are able to and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company Board representations and their principal commitments. Currently, the NC does not determine the maximum number of listed company Board representations which a Director may hold as the NC is of the view that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board will consider this issue on a case-by-case basis.

A list of the directorships in other listed companies and other principal commitments of each current Director as at the date of this Annual Report is set out below:

Name of Directors	Directorships in other listed company and other principal commitments	
	Present	Past <i>(for the last 5 years)</i>
Low Chern Yong (Executive Chairman and Director)	Directorships: <ul style="list-style-type: none"> Wong Fong Industries Limited – (Non-Executive Non-Independent Director) Other Principal Commitments: Nil	Directorships: Nil Other Principal Commitments: Nil
Low Yik Sen (Managing Director)	Directorships: Nil Other Principal Commitments: Nil	Directorships: Nil Other Principal Commitments: Nil
Low Yik Jin (CEO and Executive Director)	Directorships: Nil Other Principal Commitments: Nil	Directorships: Nil Other Principal Commitments: Nil
Edward Tiong Yung Suh (Lead Independent Director)	Directorships: Nil Other Principal Commitments: <ul style="list-style-type: none"> Allen & Gledhill LLP – Partner 	Directorships: Nil Other Principal Commitments: Nil

CORPORATE GOVERNANCE REPORT

Name of Directors	Directorships in other listed company and other principal commitments	
	Present	Past <i>(for the last 5 years)</i>
Ng Tiong Gee (Independent Director)	Directorships: <ul style="list-style-type: none"> • GYP Properties Limited • Pacific Radiance Ltd. • 8VI Holdings Limited Other Principal Commitments: <ul style="list-style-type: none"> • Yellow Pages Pte. Ltd. – Chairman 	Directorships: Nil Other Principal Commitments: Nil
Tan Jia Kien (Independent Director)	Directorships: <ul style="list-style-type: none"> • Eggriculture Foods Ltd. Other Principal Commitments: <ul style="list-style-type: none"> • The Finlab Pte. Ltd. – Mentor-in-Residence 	Directorships: Nil Other Principal Commitments: <ul style="list-style-type: none"> • The Finlab Pte. Ltd. – Director and Managing Director
Tan Chade Phang (Independent Director)	Directorships: <ul style="list-style-type: none"> • REVEZ Corporation Ltd. • Luminor Financial Holdings Limited • OUE Lippo Healthcare Limited Other Principal Commitments: <ul style="list-style-type: none"> • Voyage Research Pte Ltd - Chief Executive Officer 	Directorships: <ul style="list-style-type: none"> • Camsing Healthcare Limited • Dapai International Holdings Co., Ltd • TBK & Sons Holdings Ltd • TIH Limited • Transcorp Holdings Limited Other Principal Commitments: Nil

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

The NC assesses the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board on an annual basis. Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria. The Board and the NC believe that the financial indicators are mainly used to measure the Management's performance and hence are less applicable to the Directors.

Provision 5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The NC had conducted the Board's performance evaluation as a whole for FY2021 together with the performance evaluation of the AC, RC and NC. The performance criteria for the Board and Board Committees' evaluation, as determined by the NC, cover the following areas:-

1. Board Composition and Structure;
2. Conduct of Meetings;
3. Corporate Strategy and Planning;
4. Risk Management and Internal Control;
5. Measuring and Monitoring Performance;
6. Training and Recruitment;
7. Compensation;
8. Financial Reporting;
9. Board Committees; and
10. Communicating with Shareholders.

The abovementioned performance criteria do not change from year to year.

All Directors have completed the Board and Board Committees' evaluation forms mentioned above. The summary of the Board and Board Committee's evaluation was circulated to the members of NC for their review. Areas for improvement were suggested by the NC before submitting to the Board for discussion.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance and/or re-nomination as a Director.

The NC is satisfied that the Board as a whole and Board Committees had met its performance objectives for FY2021.

CORPORATE GOVERNANCE REPORT

The NC also conducted assessment of the individual Directors. All Directors have completed the individual assessment forms with regard to the other Directors on the Board. The summary of the Directors' individual assessment was circulated to the members of NC for their review.

The assessment parameters for each Director include their attendance at Board and related activities, adequacy of preparation for board meetings, participation in Board discussion, ability to make informed business decisions, assessment of the strengths and weaknesses of the Company and how decisions will impact them, ensure strategies, budgets and business plans are compatible with vision and strategy, reading and interpreting financial reports, inquiry of information to make informed judgments/assessments, ability to articulate thoughts, opinions, rationale, and points in a clear, concise and logical manner, compliance with company policies and procedures, maintenance of independence, disclosure of related party transactions, performance in respect of specific tasks delegated to him. The NC and the Board have relied on the abovementioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors.

No external facilitator was engaged by the Company in FY2021.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

- (a) a framework of remuneration for the Board and key management personnel; and**
- (b) the specific remuneration packages for each director as well as for the key management personnel.**

The RC reviews and recommends to the Board a general framework of remuneration for the Board, and the specific framework of remuneration packages for each director, CEO (if CEO is not a director) and key management personnel, and submit such recommendations for endorsement by the entire Board.

The RC reviews all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

Please refer to Table A set out on pages 41 to 44 of this Annual Report for the composition and functions of the RC.

CORPORATE GOVERNANCE REPORT

Provision 6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The RC currently comprises of four (4) members, namely, Mr Edward Tiong Yung Suh (Chairman), Mr Ng Tiong Gee, Mr Tan Jia Kien and Mr Tan Chade Phang all of whom are Independent Directors.

Provision 6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC reviews and considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC also reviews the Company's obligations arising from termination clauses and termination processes in relation to the Executive Directors' and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

Each member of the RC shall abstain from reviewing and approving any remuneration, compensation or any form of benefit to be granted to him or someone related to him.

Provision 6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The Company did not engage any external remuneration consultant to advise on remuneration matters for FY2021.

The RC and the Board were of the view that the Company does not need to engage remuneration consultants as the remuneration for Executive Directors and the key management personnel are based on their respective existing service agreements.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

In reviewing and determining the remuneration packages of the Executive Directors and the Group's key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of shareholders.

CORPORATE GOVERNANCE REPORT

Provision 7.2 **The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.**

No Independent Directors nor Non-Executive Director have service agreements with the Company. They are paid Directors' fees, which are determined by the Board based on the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Directors' fees of the Independent Directors and Non-Executive Director are subject to approval by shareholders at each annual general meeting thereby ensuring that their independence is not compromised.

Each member of RC abstains from making recommendation on his remuneration.

Please refer to Table D set out on pages 54 to 55 for the percentage breakdown of remuneration of the Directors for FY2021.

Provision 7.3 **Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.**

The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders.

To remain competitive, the Company aims to benchmark the Executive Directors and the key management personnel's compensation with that of similar performing companies, taking into consideration the individual's performance, qualification and experience as well as the financial performance of the Company.

The performance criteria for the Executive Directors and key management personnel have been met for FY2021.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and**
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Executive Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders.

The remuneration policy adopted by the Group for Executive Directors and key management personnel comprises a fixed component and a performance-related variable component. The fixed component is in the form of a base salary. The variable component is in the form of a bonus and depends on the relative performance of the Company and the performance of each individual Executive Director and key management personnel, allowing for the alignment of their interests with that of Shareholders. The Executive Director(s) do not receive additional Directors' fees.

In reviewing and determining the remuneration packages of the Executive Directors and the key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of Shareholders.

The performance criteria used to assess the remuneration of Executive Directors and key management personnel is based on the profitability of the Group, leadership, as well as the Executive Directors' and key management personnel's compliance in all audit matters. There are currently no long-term incentives for the Executive Directors and key management personnel. The Executive Directors' and key management personnel's short-term incentives (namely the performance-related variable component) are recommended by the RC and approved by the Board.

The Board believes that it is for the benefit of the Company and the Group that the remuneration of key management personnel (who are not Directors of the Company) is disclosed in percentage terms, due to its sensitive nature and concerns of poaching. As the Company has a lean management team, disclosures in dollar terms would be disadvantageous to the Company in relation to its competitors and may adversely affect the cohesion and spirit of teamwork prevailing amongst the employees of the Company.

The RC has reviewed the relevant performance criteria of the Executive Director and key management personnel and noted that the performance criteria for the executive director and key management personnel have been met for FY2021 notwithstanding the above, there was no performance bonus payment to the Executive Directors and key management team.

CORPORATE GOVERNANCE REPORT

The Independent Directors (Non-Executive Directors) receive Directors' fees, being a basic fee and additional fees for serving on any of the Board Committees. The Board recommends payment of such Directors' fees appropriate to the level of their contributions, taking into account factors such as the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Directors' fees are recommended by the RC and endorsed by the Board for approval by Shareholders of the Company at each annual general meeting. Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him.

Please refer to Table D set out on pages 54 to 55 of this Annual Report for remuneration band and details for the Directors and key management personnel.

Given the general sensitivity and confidentiality of remuneration matters, the Company believes that disclosing their remuneration in the bands of S\$250,000 provides a sufficient overview of the Directors' and Management's remuneration.

Provision 8.2 **The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.**

Save for Mr Low Yik Sen and Mr Low Yik Jin who are brothers, there is no employee who is a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or substantial shareholder of the Company, whose remuneration for FY2021 exceeds S\$100,000.

Provision 8.3 **The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.**

Please refer to the Group's practices in Provision 8.1 of the Code.

The Y Ventures Performance Share Plan was adopted pursuant to written resolutions passed by the Shareholders on 2 June 2017. The Y Ventures Performance Share Plan is administered by the Remuneration Committee and contemplates the award of fully paid shares, free of charge, when or other prescribed performance targets are achieved by the selected employees of the Group.

On 5 May 2021, the Company granted 5,194,000 new ordinary shares to its selected employees of the Company under the Y Ventures Performance Share Plan (the "Awards"). The Awards were not granted to the following on 5 May 2021:-

- (i) Controlling Shareholders of the Company and their Associates (they are not eligible for under the Y Ventures Performance Share Plan);
- (ii) the Directors of the Company; and
- (iii) Key Management Personnel of the Company.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board reviews the Group's business and operational activities to identify the nature and the extent of the potentially significant risks. The Board puts measures in place to control and mitigate risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas to the Group such as financial, operational, compliance and information technology risks based on the feedback of Yang Lee & Associates (the "**Internal Auditor**"), and External Auditor. The Board also oversees the Management in implementing the risk management and internal controls system.

The Board conducts such risk assessment exercises regularly, and as such, a separate Board Risk Committee to specifically address significant risks is not required.

Provision 9.2 The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

The Board has received assurance from the CEO and the Chief Financial Officer ("**CFO**") that (a) the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are adequate and effective.

Based on internal controls established and maintained by the Group as at the date of this Annual Report, the works performed by the Internal Auditor and External Auditor, the reviews performed by Management and the various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at the date of this Annual Report.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.1 The duties of the AC include:

- (a) **reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**

The AC review the financial results of the Group and the audited annual financial statements, SGXNET announcements and all related disclosures relating to the Group's financial performance to shareholders before recommending the same to the Board for approval. In the process, the AC reviews the basis and reasoning of the Management in the preparation of the financial statements, critical accounting policies and any significant changes that would have an impact on the Company's financials.

In the review of the financial statements for FY2021, the AC has discussed with Management the accounting practices adopted for the financial year, including accounting policies and accounting estimates.

- (b) **reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**

The AC evaluates on a yearly basis the adequacy and effectiveness of the internal controls including financial, operational, compliance and information technology controls and regulatory compliance of the Group through discussion with Management and its Internal and External Auditors.

- (c) **reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**

The AC reviews on a yearly basis the assurance from the CEO and the CFO on the financial records and financial statements.

- (d) **making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**

The AC reviews the scope and results of the audit carried by the external auditors, the cost effectiveness of the audit and the independence and objectivity of the external auditors.

The aggregate amount of fees paid or payable to the external auditor of the Company, broken down into audit and non-audit services during FY2021 are as follows:

• Audit fees	:	S\$124,000
• Non-audit fees	:	S\$10,000
• Independent member firms of Baker Tilly International	:	RMB 25,000 (Approximately S\$5,000)

CORPORATE GOVERNANCE REPORT

The AC recommends to the Board proposals to the shareholders on the appointment, re-appointment and removal of External Auditors, and recommends the remuneration and terms of engagement of the External Auditors.

The AC is of the view that Messrs Baker Tilly TFW LLP is suitable for re-appointment and it has accordingly recommended to the Board that Messrs Baker Tilly TFW LLP be nominated for re-appointment as external auditor of the Company at the forthcoming annual general meeting.

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

The AC recognises the importance of reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function. The AC regularly reviews the scope of the External Auditors' audit plan and the effectiveness of the results from the independent audit. The AC also reviews the independence and objectivity of the External Auditor and Internal Auditor as well as the Group's compliance with Catalyst Rules and the Code.

In compliance with Rule 1204(6)(b) of the Catalyst Rules, the AC undertook the annual review of the independence and objectivity of the External Auditor by reviewing the non-audit services provided and the fees paid to them. It is the opinion of the AC that the nature and extent of non-audit services provided by the External Auditor do not affect the independence and objectivity of the External Auditor.

Messrs Baker Tilly TFW LLP and its member firms are the auditors of all the Company's Singapore incorporated subsidiaries and foreign-incorporated subsidiaries. The Board and AC are of the view that the Company has complied with Rules 712 and 715 of the Catalyst Rules in relation to its External Auditor.

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The Group has established a whistleblowing policy which provides the channel for employees of the Group and external parties to raise their concerns about improprieties in financial reporting or other matters to the AC Chairman, in good faith and in confidence. The procedures for whistleblowing have been circulated to the employees in their handbook.

The procedures for whistle blowing are also saved under the Company's cloud-storage folders, which are accessible by the employees of the Company and its subsidiaries where they can contact the AC Chairman directly on all matters. The follow up procedures regarding matters raised are also stated and whistleblowers are assured that all actions in good faith will not affect them in their work and staff appraisals.

The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its mandatory full and quarterly audit committee's meetings to ensure independence thorough investigation, and appropriate follow-up actions are taken.

CORPORATE GOVERNANCE REPORT

The Company will treat the identity of the whistleblower and such information provided by the whistleblower will be treated confidential. It is also committed to ensuring that whistleblowers will be treated fairly, and protected against detrimental or unfair treatment for whistleblowing in good faith.

In April 2021, the former Chairman of the AC received correspondence from a whistleblower who raised complaints about incidents that happened in the workplace. The AC established an investigation team (comprising four members of the Audit Committee and CEO of the Company) (the “**Investigation Team**”) and conduct the investigation of the complaint received. When the investigation has completed, the Investigation Team reported the findings to the Board of Directors of the Company and concluded that the complaints/concerns did not fall under the Company’s whistleblowing policy. The identity of the whistleblower and the complaint has been treated with the utmost confidentiality.

Please refer to Table A set out on pages 41 to 44 of this Annual Report for the composition and functions of the AC, based on the terms of reference.

Provision 10.2 **The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.**

The AC currently comprises of four (4) members, namely, Mr Tan Chade Phang (Chairman), Mr Edward Tiong Yung Suh, Mr Ng Tiong Gee, and Mr Tan Jia Kien, all of whom are Independent Directors. The Board is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities and functions under the terms of reference approved by the Board.

The AC Chairman, Mr Tan Chade Phang, and the members of the AC have relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement. They are continually kept abreast of the latest changes to accounting standards and financial reporting to ensure the Company’s financial statements properly reflect the results of its business activities.

Provision 10.3 **The AC does not comprise former partners or directors of the company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.**

None of the AC members were former partners or director of the Company’s existing auditing firm within the previous two years, and none of the AC members hold any financial interest in the Company’s current auditing firm.

CORPORATE GOVERNANCE REPORT

Provision 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The AC, in consultation with Management, decides on the appointment, termination and fees of the Internal Auditor. The internal audit function of the Group has been out-sourced to Yang Lee & Associates since FY2019. The Internal Auditor report primarily to the Chairman of AC and have unfettered access to all the Group's corporate documents, records, properties and personnel including the AC. The AC reviewed the independence, adequacy and effectiveness of the Internal Auditor as required under Rule 1204(10C) of the Catalist Rules and determined that the Internal Auditor are independent, effective and adequately resourced with the appropriate standing within the Group and is able to perform its functions effectively and objectively.

The Board recognises the importance of maintaining a system of internal controls, procedures and processes for the Group to safeguard the shareholders' investments and the Group's assets. The Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. For example, the key features of the internal control environment include having clear and defined terms of reference for Board Committees, assigning authority and responsibility in accordance with an authority matrix and written internal control procedures. The role of the Internal Auditor is to assist the AC in ensuring that the controls are adequate, effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high-risk areas. Since the internal audit function is out-sourced, the AC will rely on the findings from the Internal Auditor to ensure the Company to maintain a system of internal controls, procedures and processes.

Yang Lee & Associates is a member of the Institute of Internal Auditors ("IIA"). The internal audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing set by IIA.

Provision 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC has held virtual meetings with the External Auditor (Baker Tilly TFW LLP) and Internal Auditor (Yang Lee & Associates), in the absence of the Management, at least once, to obtain feedback and review any related matters that might have arisen in respect of FY2021.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

All Shareholders will receive the Company's annual report, circulars and notice of AGM or general meetings. At general meetings, Shareholders are given the opportunity to give their views and direct their questions to the Directors and the Management relating to the Group's business or performance. The Chairpersons of the AC, NC and RC, as well as the External Auditor, will also be present to assist the Directors in addressing any relevant queries raised by Shareholders.

Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings. Shareholders are also informed of the voting procedures prior to the commencement of voting by poll at such general meetings.

As the safe-distancing measures and regulations imposed by the Singapore Government amidst Coronavirus disease (COVID-19) transmission risks continued to be in place, the Company strongly encourages Shareholder's participation at the forthcoming AGM for FY2021 which is to be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Alternative Arrangements Order**").

Instead of the regulatory requirements for the physical delivery of the notice of AGM (including where the notice of AGM is published in local newspapers) and the accompanying annual report and proxy form, the notice of AGM is sent by electronic means under the Alternative Arrangements Order. (i.e. no physical copies of the Notice of AGM and accompanying annual report and proxy form will be mailed to Shareholders).

The Company has specified in the Notice of AGM the detailed information on attending the AGM by electronic means, such as instructions to shareholders on how they may (i) participate to observe and/or listen to the AGM proceedings (ii) access the annual report and proxy form, (iii) submit their questions in advance of the AGM electronically, and (iv) vote by appointing the Chairman of the AGM as proxy and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions.

CORPORATE GOVERNANCE REPORT

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.

Resolutions are passed through a process of voting by electronic polling and shareholders are entitled to vote in accordance with established voting rules and procedures. The poll results in favour and against for each resolution put forth are presented during the AGM.

The Company has separate resolutions at general meetings for each distinct issue and they are generally not “bundled” or made inter-conditional on each other including resolutions on the re-election of Directors. This is to ensure that Shareholders are given the right to express their views and exercise their voting rights on each resolution separately. Where the resolutions are “bundled”, the reasons and material implications for doing so will be provided in the annual report and related documents / notice of general meeting.

Provision 11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.

The Directors (including the Chairpersons of the AC, RC and NC) of the Company have been and will be present at the AGMs and EGMs to answer queries raised by the Shareholders at the AGMs and EGMs. The External Auditor, Baker Tilly TFW LLP, are invited to attend the AGMs to address any Shareholders’ queries during general meetings, including queries on the conduct of audit and the preparation and content of the independent auditors’ report.

As the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation continued in place since the mid-year of 2020, the AGMs of the Company will be held by electronic means under the Alternative Arrangements Order. Shareholders are able to attend the AGM by observing and listening to the proceedings of the AGM by electronic means. In light of the Alternative Arrangements Order, Shareholders may submit questions relating to the business of the AGM to the Company in advance and the responses to questions from Shareholders will then be posted on the SGXNet.

A table showing a list of the Directors and the number of Board and Board Committees meetings and the Annual General Meeting held during FY2021 along with the record of attendance of each Director during their terms as Directors and members of the respective Board Committees of the Company are set out in Table B on page 45 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Provision 11.4 The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Accompanying the notice of AGM and EGM, is a proxy form, so that (i) Shareholders who are individuals may appoint up to two (2) proxies; and (ii) Shareholders which are intermediaries (such as banks and capital markets services licence holders) providing custodial services may appoint more than two proxies to attend on their behalf, should Shareholders be unable to personally attend the meetings.

Due to the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation in the mid-year of 2020, the Company has since then conducted the AGM by electronic means under the Alternative Arrangements Order and the Shareholders are able to attend the AGM by observing and listening to the proceedings of the AGM by electronic means.

In light of the Alternative Arrangements Order, Shareholders who wish to vote at the AGM must submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf and indicate how he wishes to vote for or vote against (or abstain from voting on) the resolutions.

Similarly, this year's forthcoming AGM in respect of FY2021 will be held by electronic means under the Alternative Arrangements Order. For more information on attending the AGM in respect of FY2021 by electronic means, voting and submission of questions, please refer to the Company's Notice of the AGM dated 13 April 2022.

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of Shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

Provision 11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The proceedings of the annual general meeting and extraordinary general meeting (if any) of the Company are properly recorded and detailed in the minutes of general meetings including substantial and relevant comments or queries raised by shareholders relating to the agenda of the general meetings and responses from the Board and Management.

The minutes of the general meetings of the Company, including the responses to questions from Shareholders, will be posted on the SGXNet and the Company's website at <https://yventures.com.sg>.

Provision 11.6 The company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy at present. The issue of payment of dividends is deliberated by the Board annually, having regards to various factors (e.g. Company's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate).

As the Company was in a loss-making position in FY2021, the Board has not declared any dividend for FY2021.

CORPORATE GOVERNANCE REPORT

Engagement With Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Board encourages shareholders participation at the Company's general meetings. Both Executive and Independent Directors meet and speak with Shareholders regularly, primarily through general meetings of Shareholders, to gather their views and address concerns.

However, due to the safe-distancing measures and regulations imposed by the Singapore Government amidst the COVID-19 situation in the mid-year of 2020, the Company has since then conducted the AGM by electronic means under the Alternative Arrangements Order and the Shareholders only be able to attend the AGM by observing and listening to the proceedings of the AGM by electronic means. In light of the Alternative Arrangements Order, Shareholders may submit questions relating to the business of the AGM to the Company in advance and the responses to questions from Shareholders will then be posted on the SGXNet and the Company's website.

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Presently, the Company does not have an Investor Relations Policy in place or dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

However, the Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rule and the Act, it is the Board's policy to ensure that all Shareholders are informed on a timely basis of every material developments that has an impact on the Group via SGXNET.

The Company also does not practice selective disclosure of material information. The Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on a timely basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Act. The Company's financial results and annual reports are announced via the SGXNET within the stipulated period.

Shareholders of the Company receive the annual reports and notices of AGMs which are also advertised in the newspapers within the prescribed deadlines prior to the AGMs. The Board encourages shareholders' participation at the AGMs and periodically communicates with Shareholders through SGXNET throughout the financial year. Similarly, Shareholders will receive the circulars and notices of EGMs within the prescribed deadlines prior to the EGMs.

CORPORATE GOVERNANCE REPORT

Instead of the regulatory requirements for the physical delivery of the notice of AGM (including where the notice of AGM is published in local newspapers) and the accompanying annual report and proxy form, the notice of AGM this year, is sent by electronic means under the Alternative Arrangements Order. (i.e. no physical copies of the Notice of AGM and accompanying annual report and proxy form will be mailed to Shareholders and these documents are available electronically to Shareholders via SGXNET and the Company's corporate website at <https://yventures.com.sg>.

Shareholders with questions may also contact the Company, from time to time, by phone or by mail to the Company's registered office address as stated in the Corporate Information section of this Annual Report.

Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Please refer to the Group's practices as set out in Provision 12.2.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, customers, and etc, in order to achieve a sustainable business goals. The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectation and goals.

Both Executive and Independent Directors meet or speak with Shareholders regularly, primarily through general meetings of Shareholders, to gather their views and address concerns.

Provision 13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised through stakeholder engagement and can be found in the Company's Sustainability Report 2021 on page 56 of this Annual Report which is available on the SGXNET and Company's corporate website at <https://yventures.com.sg>.

CORPORATE GOVERNANCE REPORT

Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

Y Ventures maintains its corporate website (<https://yventures.com.sg>) providing information about the Company such as Board of Directors and Management team, products or services, as well as all disclosures and announcements of the Company submitted to the SGX-ST via SGXNet. Stakeholders can also contact the Company through phone or e-mail, the details of which can be found on the Company's website.

OTHER CORPORATE GOVERNANCE MATTERS

1. **Material Contracts**

[Catalist Rule 1204(8)]

No material contracts of the Company or its subsidiaries involving the interests of the CEO or any Director or controlling shareholders of the Company, which are either still subsisting at the end of FY2021, or if not then subsisting, entered into since the end of the previous financial year.

2. **Internal Control Matters**

[Catalist Rule 1204(10)]

On 21 January 2019, the Company announced a restatement of its half-yearly financial results for the period up to 30 June 2018 ("**HY2018 Restatement**"). Following this, as announced on 12 March 2019, the Company had appointed an external professional firm, Deloitte & Touche Enterprise Risk Services Pte. Ltd. ("**Deloitte**") to conduct an independent review on, amongst others, the adequacy and effectiveness of the internal controls of the Group ("**Independent Review**"). On 16 March 2021, following the completion of the Independent Review, the Company announced the findings of the Independent Review and the release of the executive summary of the Independent Review report ("**Independent Review Report**"). It is to be noted that Deloitte had made recommendations relating to internal controls in revenue and receipts management, procurement and payables management, inventory management, cash and bank management and human resource and payroll management which the Group noted and had implemented their recommendations or undertaken alternative measures. Please refer to the Company's announcements on 21 January 2019, 30 January 2019, 1 February 2019, 12 March 2019 and 16 March 2021 for further details on the HY2018 Restatement, the scope of the Independent Review and the findings of the Independent Review.

As at the date of this Annual Report, the Company has implemented all internal control recommendations highlighted in the Independent Review Report or undertaken alternative measures.

3. **Interested Person Transactions**

[Catalist Rule 1204(17)]

The Company is required to comply with the requisite rules under Chapter 9 of the Catalist Rules issued by SGX-ST for interested person transactions ("**IPTs**"). To ensure compliance with Chapter 9 of the Catalist Rules, the AC meets quarterly to review if the Company will be entering into an IPT in order to ensure that the IPTs are carried out on normal commercial terms and will not be prejudicial to the interests of the Shareholders.

The Group do not have not a general mandate for IPTs under Chapter 9 of the Catalist Rules. There are no IPTs of S\$100,000 or more entered into by the Group for FY2021 pursuant to Rule 907 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

4. Dealing in Securities

[Catalist Rule 1204(19)]

In compliance with Rule 1204(19) of the Catalist Rule, the Group has adopted a Code of Conduct to provide guidance to Directors and executive officers with regards to dealing in the Company's securities.

The Company, Directors, officers and all staff of the Group and their associates are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are also reminded regularly not to deal in the Company's shares during the period commencing (i) two weeks before the announcement of the Company's quarterly financial statements, and (ii) one month before the announcement of the Company's full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results.

5. Non-sponsor Fees

[Catalist Rule 1204(21)]

No non-sponsor fees were paid to the Company's sponsor, RHT Capital Pte. Ltd. in FY2021.

6. Update on Use of Proceeds

[Catalist Rule 1204(22)]

Use of Placement Proceeds

(A) The Company received proceeds of S\$2.0 million from the placement of 24,660,000 new ordinary shares as announced on 23 September 2019, 4 October 2019, 9 October 2019 and the utilisation of the proceeds as at 31 December 2021 and the date of this Annual Report is as follows:

Use of proceeds from new shares placement	Amount allocated S\$	Amount utilised as at 31 December 2021 S\$	Amount unutilised as at 31 December 2021 S\$
Business expansion through mergers and acquisitions, joint ventures, strategic collaborations, and investments	1,000,000	-	1,000,000
General working capital (comprising administrative expenses and purchase of products)	972,892	(972,892)	-
TOTAL	1,972,892	(972,892)	1,000,000

CORPORATE GOVERNANCE REPORT

- (B) The Company received proceeds of S\$840,000 from the placement of 12,000,000 new ordinary shares as announced on 15 December 2020, 24 December 2020, 28 December 2020 (collectively, the “**December 2020 Placement Exercises**”) and the utilisation of the proceeds as at 31 December 2021 and the date of this Annual Report is as follows:

Use of proceeds from new shares placement	Amount allocated S\$	Amount utilised as at 31 December 2021 S\$	Amount unutilised as at 31 December 2021 S\$
Business expansion through mergers and acquisitions, joint ventures, strategic collaborations and investments	500,000	(250,001)	249,999
General working capital ⁽¹⁾	340,000	(340,000)	-
TOTAL⁽²⁾	840,000	(590,001)	249,999

Notes:

- (1) Utilised mainly for the payment to suppliers for the purchase of books.
 (2) Includes professional fees and related expenses of approximately S\$49,200 incurred in respect of the December 2020 Placement Exercises.

As announced by the Company on 12 August 2021, the Group had entered into a binding term sheet for the subscription and acquisition of 50.01% stake in Toyrrential Pte. Ltd. wherein the consideration for such investment was fully funded by the use of S\$250,001 out of the placement proceeds of S\$840,000 from the Company's placement of 12,000,000 new ordinary shares on 28 December 2020. Accordingly, as at the date of this Annual Report, the amount unutilised is S\$249,999. Please refer to the announcement released by the Company on 12 August 2021 for further details.

Table A

Board comprises:

Executive Directors

Lew Chern Yong	(Executive Chairman and Director)
Low Yik Sen	(Managing Director)
Low Yik Jin	(Chief Executive Officer and Executive Director)

Independent Directors

Edward Tiong Yung Suh	(Lead Independent Director)
Ng Tiong Gee	(Independent Director)
Tan Jia Kien	(Independent Director)
Tan Chade Phang*	(Independent Director)

***Note:** Mr Tan Chade Phang was appointed as Independent Director of the Company on 1 August 2021.

CORPORATE GOVERNANCE REPORT

The primary functions of the Board include:-

1. provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the company to meet its objectives;
2. establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;
3. review management performance;
4. identify the key stakeholder groups and recognise that their perceptions affect the company's reputation;
5. set the company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
6. consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Board's approval is also required on matters such as major funding proposals, investment and divestment proposals, major acquisitions and disposals, corporate or financial restructuring, share issuance and dividends.

Audit Committee comprises:-

Tan Chade Phang*	(Chairman, Independent)
Edward Tiong Yuh Suh	(Member, Independent)
Ng Tiong Gee	(Member, Independent)
Tan Jia Kien	(Member, Independent)

***Note:** Mr Tan Chade Phang was appointed as Independent Director of the Company on 1 August 2021, and was subsequently appointed as Chairman of Audit Committee of the Company on 16 August 2021.

The AC performs the following main functions:-

1. review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
2. review the audit plan of the external auditor;
3. review with the external auditor, his evaluation of the system of internal accounting controls;
4. review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditor, and to review with the external auditor, his audit report. Where the external auditor also supply a substantial volume of non-audit service to the Company;
5. review the nature and extent of such services to maintain the balance of objectivity and value for money;
6. review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval;
7. review the assistance given by the Company's officers to the external auditor
8. review the independence of the external auditor annually;
9. consider the appointment and re-appointment of the external auditor and approve the remuneration and terms of engagement of the external auditors;
10. review and discuss with the external auditor any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Company's response;
11. ensure that the internal audit function is adequately resourced and has appropriate standing within the Company. For the avoidance of doubt, the internal audit function can be either in-house, outsourced to a reputable accounting/ auditing firm or performed by major shareholder, holding company, parent company or controlling enterprise with an internal audit staff;
12. review the scope and results of the internal audit procedures;
13. annually ensure the adequacy of the audit function;

CORPORATE GOVERNANCE REPORT

14. ensure that a review of the adequacy and effectiveness of the Company's internal controls, including financial, operational and compliance controls, and risk management is conducted at least annually;
15. meet with the external and internal auditors without the presence of the Management at least once a year;
16. commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal weakness (if any);
17. review interested person transactions and potential conflicts of interest;
18. commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our operating results and/ or financial position;
19. review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ("**Whistle Blowing**") and to ensure that arrangement are in place for the independent investigation of such matters and for appropriate follow up action; and
20. undertake such other reviews and projects as may be requested by the Board, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

Nominating Committee comprises:-

Tan Jia Kien	(Chairman, Independent)
Edward Tiong Yuh Suh	(Member, Independent)
Ng Tiong Gee	(Member, Independent)
Tan Chade Phang*	(Member, Independent)

***Note:** Mr Tan Chade Phang was appointed as Independent Director of the Company on 1 August 2021, and was subsequently appointed as member of Nominating Committee of the Company on 16 August 2021.

The responsibilities of the NC, based on the written terms of reference, are as follows:-

1. regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendation to the Board with regard to any changes;
2. make recommendations to the Board on all board appointments having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient factors);
3. determine annually whether a Director is independent;
4. decide whether a Director is able to and has adequately carried out his duties as a director of the Company in particular where the Director concerned has multiple board representations. Where possible, the NC shall formulate internal guidelines that can address the competing time commitments that are faced when directors serve on multiple boards;
5. decide on how the Board's performance may be evaluated and propose objective performance criteria. Such performance criteria, that allow comparison with its industry peers, should be approved by the Board and address how the Board has enhanced long term shareholders' value. These performance criteria should not be changed from year to year and where circumstances deem necessary for any of the criteria to be changed, the onus should be on the Board to justify such changes;
6. give full consideration to succession planning for directors, in particular, the Chairman and CEO and recommend to the Board;
7. review the results on board performance evaluation process that relate to the composition of the Board;
8. review and make recommendation to the Board concerning membership of the various Board committees, in consultation with the Chairmen of those Committees; and
9. review training and professional development programs for the Board.

CORPORATE GOVERNANCE REPORT

Remuneration Committee comprises:-

Edward Tiong Yung Suh	(Chairman, Independent)
Ng Tiong Gee	(Member, Independent)
Tan Jia Kien	(Member, Independent)
Tan Chade Phang*	(Member, Independent)

***Note:** Mr Tan Chade Phang was appointed as Independent Director of the Company on 1 August 2021, and was subsequently appointed as member of Remuneration Committee of the Company on 16 August 2021.

The functions of the RC are as follows:-

1. review and recommend the framework of remuneration for the executive directors and key management personnel with a view to structure the remuneration for the executive directors and key management personnel so as to link rewards to group or corporate and individual performance, to align their interests with those of shareholders and give these Directors keen incentives to perform at the highest levels;
2. review the terms of appointment and remuneration of the executive directors and key management personnel of the Company and when deem appropriate to make any recommendation in relation thereto;
3. review and recommend to the Board the terms of renewal for those executive directors and key management personnel whose current employment will expire or had expired;
4. review the remuneration of employees who are related to Directors or Substantial Shareholders annually to ensure that their remuneration package are in line with the Company staff remuneration guideline and to commensurate with their respective job scope and level of responsibility;
5. review the compensation package of the non-executive directors;
6. consider the various disclosure requirements for Director's remuneration, particularly those required by regulatory bodies such as the Singapore Exchange Securities Trading Limited, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;
7. retain such professional consultancy firm as the committee may deem necessary to enable it to discharge its duties hereunder satisfactorily;
8. consider long-term incentives schemes for executive directors and key management personnel and review eligibility for benefits of executive directors and key management personnel under long-term incentive schemes; and
9. carry out such other duties as may be agree to by the RC and the Board.

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of each individual Director and key management personnel of the Group. The recommendations of the RC are submitted for endorsement by the Board. Each member of the RC shall abstain from voting on any resolution in respect of his or her own remuneration package.

CORPORATE GOVERNANCE REPORT

Table B

Attendance at Board, Board Committees and Shareholders' Meetings for FY2021									
Name of Director	Board of Directors Meetings			Audit Committee Meetings		Remuneration Committee Meeting		Nominating Committee Meetings	
	Annual General Meeting held on 28 April 2021	No. of Meetings held while as a Director	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended	No. of Meetings held while as a Member	No. of Meetings attended
Lew Chern Yong	√	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Low Yik Sen	√	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Low Yik Jin	√	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Edward Tiong Yung Suh	√	4	4	3	3	1	1	1	1
Ng Tiong Gee	√	4	4	3	3	1	1	1	1
Tan Jia Kien	√	4	4	3	3	1	1	1	1
Tan Chade Phang ⁽¹⁾	-	2	2	1	1	-	-	-	-
Goh Cher Shua ⁽²⁾	√	3	3	2	2	1	1	1	1

The meetings of Shareholders, Board of Directors, Audit Committee, Nominating Committee, and Remuneration Committee of the Company during FY2021 were conducted by electronic means, in line with the safe-distancing measures and regulations imposed by the Singapore Government amidst Coronavirus disease (COVID-19) transmission risks.

Notes:

N/A Not applicable as he is not a member of the respective Board Committees.

- (1) Mr Tan Chade Phang was appointed as Independent Director of the Company on 1 August 2021, and was subsequently appointed as Chairman of Audit Committee and members of Remuneration and Nominating Committees of the Company on 16 August 2021.
- (2) Mr Goh Cher Shua resigned as Independent Director, Chairman of Audit Committee and members of Remuneration and Nominating Committees of the Company on 15 August 2021.

CORPORATE GOVERNANCE REPORT

TABLE C

Mr Low Yik Sen, Mr Ng Tiong Gee, and Mr Tan Chade Phang, are the Directors seeking re-election at the forthcoming annual general meeting of the Company under Ordinary Resolution Nos. 2 to 4 as set out in the Notice of AGM dated 13 April 2022 (collectively, the **"Retiring Directors"** and each a **"Retiring Director"**).

Pursuant to Rule 720(5) of the Catalyst Rules, the information on the Retiring Directors as set out in Appendix 7F to the Catalyst Rule is set out below:

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
Date of Appointment	2 January 2013 (first appointment as Director)	29 May 2017	1 August 2021
	1 March 2019 (re-designated as Managing Director)		
Date of last re-appointment (if applicable)	29 June 2020	29 June 2020	Not Applicable
Age	44	59	45
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendation of the Nominating Committee and their respective qualifications and relevant working experience, the Board approved:-		
	Mr Low's re-appointment as Managing Director of the Company.	Mr Ng's re-appointment as Independent Director.	Mr Tan's re-appointment as Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Low is responsible for overseeing the logistics arm of the Group, focusing on sourcing and procurement, freight forwarding as well as waste management services.	Non-Executive	Non-Executive

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director	<ul style="list-style-type: none"> Independent Director Audit Committee Member Nominating Committee Member Remuneration Committee Member 	<ul style="list-style-type: none"> Independent Director Audit Committee Chairman Nominating Committee Member Remuneration Committee Member
Professional qualifications (if any)	Nil	Nil	Nil
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Sibling of Mr Low Yik Jin (CEO of the Company).	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Working experience and occupation(s) during the past 10 years	<p>Mr Low, one of the co-founders of the Group, was appointed to the Board on 2 January 2013 and became the Executive Chairman and Managing Director of the Company on 29 May 2017.</p> <p>He was re-designated as Managing Director of the Company on 1 March 2019.</p>	<ul style="list-style-type: none"> 2013 to 2016: Resorts World at Sentosa Pte. Ltd., Senior Vice-President 2008 to 2013: United Test and Assembly Center Ltd, Chief Information Officer and Chief Human Resource Officer 	January 2009 to Present: Voyage Research Pte Ltd - Chief Executive Officer
Undertaking submitted to the listed issuer in the form of Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Mr Low is deemed to be interested in 53,365,000 ordinary shares held under custodian nominee account(s).	Mr Ng is deemed to be interested in 100,000 ordinary shares held under a custodian nominee account.	Nil

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
Other Principal Commitments including Directorships			
Past (for the last 5 years)	<ul style="list-style-type: none"> 500UP Pte. Ltd. (struck off in June 2017) Avalon Worldwide Group Ltd. Faire Holdings Pte. Ltd. JustNile Distribution Ltd. (dissolved on 23 February 2021) JustNile Malaysia Sdn. Bhd. (struck off on 24 June 2021) JustNile UK Pte Ltd (struck off on 13 October 2020) PT Buku Trading Indonesia (dissolved in April 2017) 	Nil	<ul style="list-style-type: none"> Bodhi Tree Network Pte. Ltd. Camsing Healthcare Limited Dapai International Holdings Co., Ltd TBK & Sons Holdings Ltd TIH Limited Transcorp Holdings Limited
Present	<ul style="list-style-type: none"> JustNile Pte. Ltd. (formerly known as JustNile (India) Pte. Ltd.) JustNile (SEA) Pte. Ltd. JustNile Holdings 	<ul style="list-style-type: none"> Darby Connect Pte. Ltd. Digi8gg Private Limited GYP Properties Limited 	<ul style="list-style-type: none"> REVEZ Corporation Ltd. Luminor Financial Holdings Limited OUE Lippo Healthcare Limited

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
Other Principal Commitments including Directorships (cont'd)			
Present (cont'd)	<ul style="list-style-type: none"> LYJ International Pte. Ltd. SKAP Logistics Pte. Ltd. SKAP Waste Management Pte. Ltd. Shenzhen Evermint Technology Company Limited Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) 	<ul style="list-style-type: none"> Pacific Radiance Ltd. Ren Ci Hospital Trype Private Limited Yellow Pages Pte. Ltd. Yellow Pages Singularity Pte. Ltd. YPPY Pte. Ltd. YP Academy Pte. Ltd. 8VI Holdings Limited 	<ul style="list-style-type: none"> Small and Middle Capitalisation Companies Association Voyage Research Pte. Ltd.
	Other Principal Commitments:	Other Principal Commitments:	Other Principal Commitments:
	Nil	Yellow Pages Pte. Ltd. – Chairman	Voyage Research Pte Ltd – Chief Executive Officer

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
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CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes. Please refer to Explanatory Note 2 set out on page 53 of this Annual Report at 'Corporate Governance Report - Table C' for details.	Yes. Please refer to Explanatory Note 2 set out on page 53 of this Annual Report at 'Corporate Governance Report - Table C' for details.	Yes. Please refer to Explanatory Note 3 set out on page 53 of this Annual Report at 'Corporate Governance Report - Table C' for details.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Yik Sen	Ng Tiong Gee	Tan Chade Phang
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Please refer to (a) Explanatory Note 1 set on page 53 of this Annual Report at 'Corporate Governance Report - Table C' for details, and (b) item (j)(i) above.	Please refer to item (j)(i) above.	Please refer to item (j)(i) above.

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? If Yes, Please provide details of prior experience	Not applicable	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not applicable	Not applicable	Not applicable

Explanatory Notes:

1. **Mr Low Yik Sen**

During 2011 when Mr Low Yik Sen ("**Mr Low**") was recalled by the Singapore Armed Forces to serve a reservist period of seven (7) days, he was granted medical leave for the first and second day of his reservist. However, as Mr Low did not attend reservist for the remaining reservist period, he was fined for an amount of S\$150 for 'Absence Without Leave'. Mr Low has since paid the fine and continued to serve reservist with no repeated offences.

2. **Mr Low Yik Sen and Mr Ng Tiong Gee**

On 12 March 2019, the Company had appointed an external professional firm, Deloitte & Touche Enterprise Risk Services Pte. Ltd. ("**Deloitte**") to conduct an Independent Review on, amongst others, the adequacy and effectiveness of the internal controls of the Group for the financial reporting period starting from 1 January 2014 to 31 December 2018.

On 16 March 2021, Deloitte had issued its Independent Review Report and concluded that the misstatements in the unaudited financial statements for the half year ended 30 June 2018 had occurred mainly because there was non-compliance with the Group's internal procedures implemented following the review on the Group's internal controls during its Initial Public Offering (IPO). The underlying causes of misstatements are broadly categorised as: (a) ineffective monitoring of inventory balance, (b) weaknesses in the procurement and payment process, (c) inadequate review of accounting entries and (d) inadequate review of financial closing and reporting process. On the same day, Singapore Exchange Regulation ("**SGX RegCo**") announced that it will investigate further for potential breaches of the Catalyst Rules by the Company, its directors and/or key executive officers as highlighted in the Independent Review Report (the "**SGX RegCo Investigation**"). At the date of this Annual Report, the SGX RegCo Investigation is still ongoing.

3. **Mr Tan Chade Phang**

Mr Tan Chade Phang was appointed as Independent Director of Dapai International Holdings Co., Ltd. ("**Dapai**") in March 2016 and was subsequently appointed as Audit Committee Chairman of Dapai to oversee the agreed-upon procedures (conducted by BDO LLP) and special audit (conducted by KordaMentha Pte Ltd) in consultation with the Exchange on matters relating to Dapai prior to his appointment as an Independent Director of Dapai. The findings of the special audit report was released on SGXNET on 7 July 2017.

CORPORATE GOVERNANCE REPORT

TABLE D

The tables below show the remuneration bands of the Directors and the key management personnel of the Group, who are not directors as well as the approximate percentage breakdown of the remuneration during FY2021.

(a) Remuneration of Directors of the Company

Name of Director	Salary*	Bonus#	Directors' Fees	Allowance and other benefits	Total
	(%)	(%)	(%)	(%)	(%)
Below S\$250,000					
Lew Chern Yong	85	15	-	-	100
Low Yik Sen	85	15	-	-	100
Low Yik Jin	85	15	-	-	100
Edward Tiong Yung Suh	-	-	100	-	100
Ng Tiong Gee	-	-	100	-	100
Tan Jia Kien	-	-	100	-	100
Tan Chade Phang ⁽¹⁾	-	-	100	-	100
Goh Cher Shua ⁽²⁾	-	-	100	-	100

* The salary amount shown is inclusive of Central Provident Fund ("CPF"), all fees other than directors' fees and other emoluments.

The bonus amount shown is inclusive of CPF.

Notes:

(1) Mr Tan Chade Phang was appointed as Independent Director of the Company on 1 August 2021, and was subsequently appointed as Chairman of Audit Committee and members of Remuneration and Nominating Committees of the Company on 16 August 2021.

(2) Mr Goh Cher Shua resigned as Independent Director, Chairman of Audit Committee and members of Remuneration and Nominating Committees of the Company on 15 August 2021.

CORPORATE GOVERNANCE REPORT

(b) Remuneration of Key Management Personnel

Name of Key Management Personnel	Salary*	Bonus*	Directors' Fees	Allowance and other benefits	Total
	(%)	(%)	(%)	(%)	(%)
Below S\$250,000					
Ms Lam May Yih	85	15	-	-	100

* The salary and bonus amounts shown are inclusive of CPF.

The total remuneration of each Director and key management personnel has not been disclosed in dollar terms given the sensitivity of remuneration matters and competitive reasons.

There were no terminations, retirement or post-employment benefits granted to Directors and key management personnel in FY2021.

The Company granted share awards consisting of 5,194,000 new ordinary shares of the Company under the Y Ventures Performance Share Plan to its employees (excluding Executive Directors and Key Management Personnel) during FY2021. Please refer to the disclosure under Provision 8.3 of the Code for more details.

(c) Remuneration of employee related to Director or CEO

A former employee of the Company, Mr Sean Goh Hong Yi, who is the son of Mr Goh Cher Shua (the former Independent Director of the Company who resigned on 15 August 2021), and his remuneration exceeded S\$100,000 but was less than S\$250,000 in FY2021.

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear Stakeholders,

The Board of Directors (the "**Board**") of Y Ventures Group Ltd. ("**Y Ventures**") is pleased to present the Sustainability Report for the financial year ended 31 December 2021 ("**FY2021**"). Our commitment to sustainability transforms the way we conduct business as we strive to incorporate sustainable practices in our business strategies and daily operations. As we continue on our sustainability journey, we also seek to collaborate with our internal and external stakeholders to continually enhance our sustainability practices which is crucial to the potential of our long-term growth. In this report, stakeholders can find disclosures on our sustainability efforts, progress, targets as we strive towards greater value creation.

ESG Materiality

In line with the Sustainability Reporting Guide issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board is responsible for overseeing the management and monitoring of the material Environment, Social and Governance ("**ESG**") factors and initiatives. The material ESG factors critical to the Group are carefully deliberated by the Board in the business strategy formulation process.

Our Path to Sustainability

As a socially responsible corporate, the Group strongly resonates with the cause of creating a culture of literacy as an empowerment for the next generation and is a long-time donor of "Books for Africa", an organisation which has a vision to end book famine in Africa. We have actively supported the cause by contributing a total of 1,188 books in FY2021.

The Group is committed to create positive impact in the community it operates in. With the technical expertise and manpower resources in the area of digital marketing and e-commerce, the Group's wholly-owned subsidiary Y Ventures Lab Pte. Ltd. ("**YV Lab**") entered into a training service collaboration agreement with YP Academy Pte. Ltd. ("**YP Academy**") to conduct training courses to adults for job skills upgrading through online platform since 19 November 2020. In FY2021, a total of 171 individuals enrolled into the training course as part of their skills upgrading journey.

As an advocate for eco-friendly initiatives, the Group is dedicated to environmental conservational efforts through our subsidiary, Skap Waste Management Pte. Ltd. ("**Skap Waste**") under "**Junk To Clear**", a waste management services company. In FY2021, we have recycled a total of 170 kg of metallic materials.

Acknowledgement

The success of our sustainability journey requires the collaboration and continued efforts from all stakeholders. We would like to express our gratitude towards the management and staff for their unwavering commitment and dedication to our sustainability goals. We aim to continually improve our sustainability efforts and practices, and create greater value for all our stakeholders in the year ahead.

For and on behalf of the Board of Directors
Mr. Lew Chern Yong, Eric
Executive Chairman & Director
Y Ventures Group Ltd.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Y Ventures, a data analytics driven, e-commerce retailer and distributor, is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

All data and activities reported in this report covers the period of 1 January 2021 to 31 December 2021, in line with this annual report, unless stated otherwise. The report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards – Core option, the international standard for sustainability reporting established by GRI. Unless otherwise stated, the report covers the ESG performance of the Group and its subsidiaries in Singapore and United States of America.

This report forms part of Y Ventures' Annual Report for FY2021 and can be viewed or downloaded from <https://yventures.com.sg/investor.html>. As part of our continued efforts to improve our reporting, we welcome stakeholders to submit their feedback to investor@yventures.com.sg.

2021 OVERVIEW



1,188

books donated to
"Books For Africa"
in FY2021



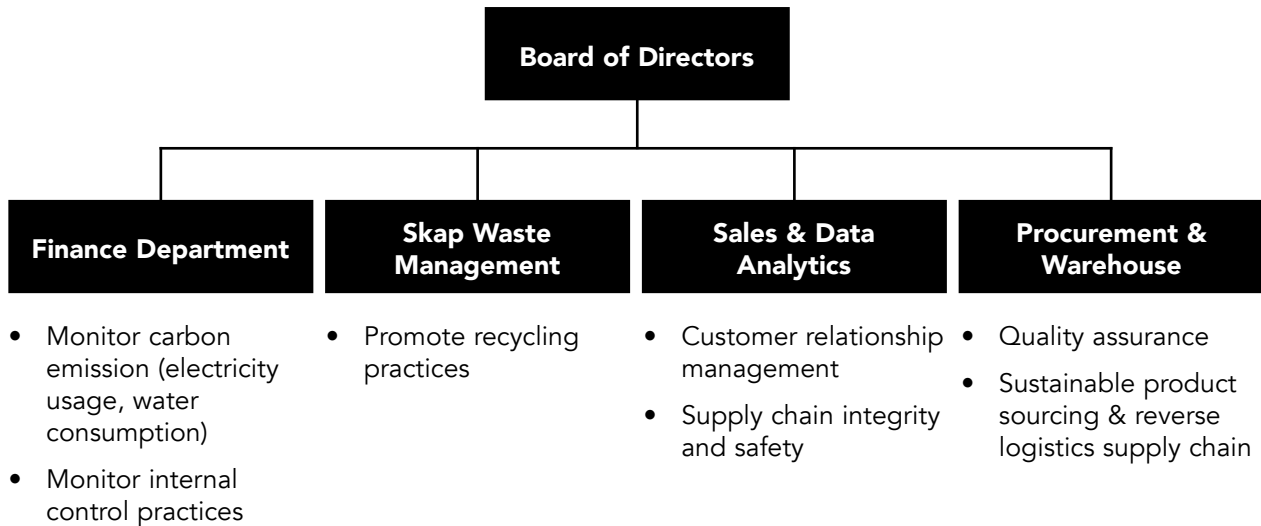
171

Enrolments into
training course
jointly provided
by YV lab and YP
Academy

SUSTAINABILITY REPORT

OUR SUSTAINABILITY TEAM

The Corporate Sustainability Agenda is spearheaded by the Board of Directors and executed by the respective Division Heads in the Group.



Our Sustainability Strategy



Roles

The Sustainability Team oversees and provides input to management on Group's policies, strategies, and programs related to matters of Sustainability and Corporate Social Responsibilities.



Performance Goals & Feedback

The Sustainability Team sets and reviews goals establish for its sustainability performance. The Sustainability Team will conduct periodic dialogues to engage key stakeholders on the Group's business activities and performance.



Reporting and Disclosure

The Sustainability Team reviews sustainability and corporate responsibility reports issued from time to time by the Company.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

To build a sustainable business, the Group believes that collective efforts of all stakeholders are essential. We strive to work closely with our stakeholders and constantly seek to understand their issues and concerns. The following table summarises our stakeholder's engagement activities, key feedback, and our commitments to sustainability to address those concerns raised.

Stakeholder	Platforms	Frequency	Key Feedback/ Issue	Commitments to Sustainability
Employees	Performance evaluation	Annual	<ul style="list-style-type: none"> Employee safety and welfare 	<ul style="list-style-type: none"> Provide fair and equal opportunities to all employees Rewarding performance Create a safe and cohesive working environment
	Flexible working hours	Ad-hoc	<ul style="list-style-type: none"> Staff training and development opportunities Work-life balance 	
	Staff training	Ad-hoc	<ul style="list-style-type: none"> Remuneration and benefits Fair and competitive employment practices 	
Investors and Media	Annual / extraordinary general meetings	Annual	<ul style="list-style-type: none"> Return on investment Business growth Business strategy and outlook 	<ul style="list-style-type: none"> Strive to generate sustainable long-term returns on investment Adhere to timely and transparent dissemination of accurate and relevant information to the market
	Financial results announcements	Quarterly	<ul style="list-style-type: none"> Risk management Corporate governance Compliance to listing requirements 	
	SGX announcements, media release and interviews	Ad-hoc	<ul style="list-style-type: none"> Sustainability performance and reporting standards 	
	Annual report, sustainability report	Annual	<ul style="list-style-type: none"> Timely and transparent reporting 	
	Company website	Perpetual		
Suppliers and Service Providers	Product feedback	Perpetual	<ul style="list-style-type: none"> Supplier management Provide suppliers a greater market opportunity across the globe 	<ul style="list-style-type: none"> Provide valuable insights to suppliers Build long-term and successful relationships Improve the transparency of our supply chain to meet industry's best practices
	Markets suppliers' products through various online platforms	Perpetual	<ul style="list-style-type: none"> Prompt provision of customer data analysis for supplier – customer demographics, sales, trends and feedback on the product 	
	Supplier evaluation	Perpetual		

SUSTAINABILITY REPORT

Stakeholder	Platforms	Frequency	Key Feedback/ Issue	Commitments to Sustainability
Online Marketplace Operators	Sending channels team to build rapport	Annual	<ul style="list-style-type: none"> Establish and nurture strong relationships Obtain exclusive rights to sell on different channels Negotiate terms with operators through exchange of sales resources (data analytical tools) 	<ul style="list-style-type: none"> Granted favourable terms by operators through strong relationships – frequency of remittance of payment, special featuring of Group's products Generate long-term sustainable returns
Government/ National Agencies	Sustainability report	Annual	<ul style="list-style-type: none"> Stakeholder programs to advocate greener operator behaviour Provide training and skill-upgrading Opportunity to recruit new talent to be part of the team 	<ul style="list-style-type: none"> Strict compliance with relevant laws and regulations Encourage life-long learning for mid-career change and skill-upgrading Understand and support initiatives by the government
	Government training workshops, regulatory meetings	Ad-hoc		
	Attending trade conferences	Ad-hoc		
The Community	Sustainability report	Annual	<ul style="list-style-type: none"> Advocate sustainable practices Contribute back to society through donation of well-condition furniture Provide insights for students into the e-commerce industry 	<ul style="list-style-type: none"> Mitigate impacts on community Provide support for local initiatives Contribute to environmental causes through recycling efforts
	Charitable activities	Ad-hoc		
	Internships	Annual		
Customers	Feedback channel through online marketplace operators	Perpetual	<ul style="list-style-type: none"> Ensure consistency in quality of merchandises sold to customers Create connections with customers 	<ul style="list-style-type: none"> Generate long-term sustainable returns through customer confidence for Group's high standards of products
	Quality assurance inspections	Perpetual		

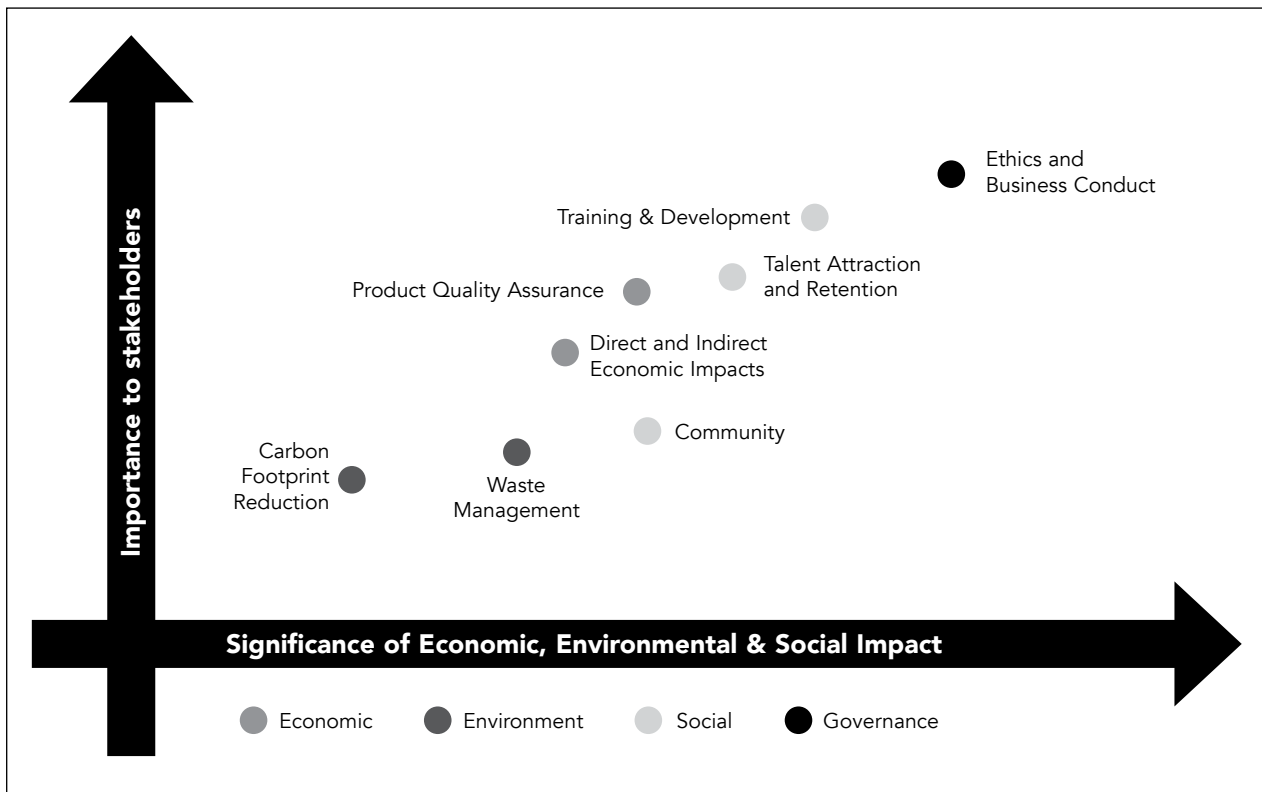
SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Through various communication channels involving the Management, executives and relevant stakeholders, we have considered and evaluated the key material topics which are significant to the Group as a whole and also those which may potentially have long term sustainability impact on the business. Our materiality assessment approach take reference from the reporting principles of:

1. Stakeholder Inclusiveness
2. Sustainability Context
3. Materiality (Impact)

Y Ventures' material sustainability topics are prioritised using a materiality matrix. In accordance to the reporting principles, we take into account the material topic's importance on stakeholders' decisions and the significance of the topic's impact to **Economic, Environmental, Social** and **Governance** factors. We concluded that these material topics are still relevant in FY2021 and these material topics will be further discussed in subsequent pages of this report.



SUSTAINABILITY REPORT

MATERIAL TOPICS – AT A GLANCE



We have performed a materiality assessment to identify and prioritise sustainability issues that are of importance to our stakeholders. This assessment helps us bring focus to key areas that we seek to improve on as we make progress in achieving the long-term sustainability of our business.

The materiality review took into account the GRI guidelines and we have prioritised our topics using a materiality matrix. The materiality assessment considers the potential economic, environmental, social and governance impact of each topic and its significance to our stakeholders. In the conduct of the assessment, inputs from stakeholders and independent sustainability consultant were considered.

Our review focuses on four key aspects with eight identified material topics. For each material topic, we report on the relevance of it to our business and stakeholders, and the measures in place to address it.

Material Topic	Relevance	How We Are Addressing the Issue
Governance Dimensions		
Business ethics and anti-corruption	We believe that upholding our reputation and fostering stakeholders' trust in our business is fundamental to our growth as a Group. Therefore, we are committed to building a positive corporate image through exemplary corporate governance and business ethics.	We adopt a zero-tolerance stance towards corruption and fraud. We constantly remind our employees to make disclosures should there be any situation where conflicted duties or conflicted interests arise.
Economic Dimensions		
Product quality assurance	Delivering quality products ensures that customers continue to choose our brand over the competition. Therefore, it is in our interest to provide customers with products of the highest quality.	We strive to uphold high product quality on all our merchandise through detailed quality control inspections. External product quality inspectors are engaged to supplement our quality control inspection process. Our online store received 97% positive review in the last 12 months as at 31 December 2021. To ensure that our product traits cater to the customer demand and market fit to the customer segment, we perform regular monitoring of our customers' feedback on our channels.

SUSTAINABILITY REPORT

Material Topic	Relevance	How We Are Addressing the Issue
Direct and indirect economic impact	Being part of a larger community and business value chain, the growth of the economy and community is essential for our long-term growth. With this win-win relationship in mind, we seek ways to contribute to our community economically to ensure the sustainability of our business.	We are committed to create long term economic value for our stakeholders by dedicating our efforts on building a sustainable business model and brand. Please refer to pages 4 to 5 (section: Financial Review) of our Annual Report for FY2021 for more information on our Group's financial performance.
Social Dimensions		
Talent attraction and retention	We acknowledge that our ability to attract and retain talents is crucial to the operations of our business. High employee turnover increases hiring expenses and has a negative impact on the Group's morale. Our commitment to talent retention and development provides growth opportunities for workers.	We believe that the Group should adopt fair employment practices and recruitment should be based on merit. We ensure that our employees are granted a wide range of benefits such as flexible work hours and medical insurance.
Training and development	We value employees as our big family. We are committed to ensuring the continuous growth of our organisation by giving the opportunity to personal growth and development.	We value our employees and believe that it is important for our employees to undergo regular training to gain professional insights and transferable skills from the Group.
Community	After benefitting from the support of our community, we hope to create a virtuous cycle of growth for everyone in the community we are in.	We are committed to being a socially responsible corporate and strive to give back to the society with our technical expertise and knowledge sharing. In FY2021, we have donated 1,188 books to "Books for Africa" as our effort to support the social cause of empowering a culture of literacy in Africa.
Environmental Dimensions		
Waste management	The increasing cost of waste treatment and resources have a significant impact on the long-term viability of our business. Therefore, it is vital that we optimize our resource efficiency.	We are dedicated to eco-friendly initiatives and strive to minimise unnecessary waste disposal through our recycling efforts. In FY2021, we have recycled 170kg of metallic scrap materials.
Carbon footprint reduction	We recognise that investing in energy conservation not only reduces our carbon footprint but also makes business sense in cost savings. Therefore, we are committed to taking measures to minimise our overall energy consumption and improve energy efficiency so as to reduce the environmental impact of our operations.	We place great emphasis on reducing our carbon footprint in our business operations. We have moved to a smaller office as part of efforts to reduce electricity usage.

SUSTAINABILITY REPORT

GOVERNANCE

Y Ventures is committed to uphold high standards of corporate governance as we believe that this is fundamental to build a sound corporation with an ethical environment that delivers long term value for our stakeholders. The Board and Management is dedicated to observe good corporate governance practices and reinforce strong internal controls to continually enhance the accountability to our stakeholders. The Group continues to keep abreast of the latest updates in the legal and regulatory requirements in the jurisdictions that we operate in to ensure compliance at all times. The Group is committed to comply with all legal and regulatory requirements in the jurisdictions that we operate in, and thus building a positive corporate image through exemplary corporate governance and business ethics.

(a) **CORPORATE GOVERNANCE**

The Group strives to adhere to the corporate governance framework with the principles and guidelines of the Code of Corporate Governance 2018. The Board and Management emphasises on a strong tone at the top of ethical business conduct to all employees.

The Board and Management recognises the importance of incorporating a committee structure for segregation of duties and responsibilities of critical functions. In order to assist in the execution of the Board's responsibilities, the Board has established various committees such as the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and the Audit Committee ("**AC**") who possesses an appropriate balance and diversity of skills, experience and knowledge in guiding the Group to achieve its long-term strategic goals.

**Nominating
Committee**

**Remuneration
Committee**

Audit Committee

For more information regarding the Group's Corporate Governance framework, please refer to the Corporate Governance Report in the Annual Report for FY2021, pages 10 to 55.

Employees Code of Conduct

The Group adopts a firm zero-tolerance stance against fraud, corruption and unethical actions. Our employees are expected to conduct business with professionalism and integrity. Our commitment and values are guided by the Employee Code of Conduct, which is shared with our employees as part of the Employee Handbook. Employees who engage in any misconduct or whose actions are not in compliance with the Code of Conduct may be subjected to disciplinary actions, including immediate dismissal.

The Group has established a Conflict-of-Interest policy to define potential scenarios where our employees may put themselves in a position that conflict his/her responsibility towards the Group. An annual declaration of conflict of interest is required mandatorily for all our employees.

In FY2021, there were no cases of corruption or non-compliances with our Code of Conduct and Conflict-of-Interest policy.

SUSTAINABILITY REPORT

Whistle Blowing

The Group institutionalised a whistleblowing policy to provide guidelines for employees to raise concerns of possible malpractice or improprieties in any matter. Employees may report in good faith of any suspicion or inappropriate reportable conduct to the Chairman of the AC. In the event if any concerns are raised, prompt investigation will be conducted and overseen by the AC. The Group aims to provide a safe avenue for reporting of potential misconduct and suspicious activities without fear of reprisal. Therefore, all disclosures will be treated with strict confidentiality and the identity of the employee who made the disclosures will be protected. The outcome of the investigation will only be communicated to the whistle-blower upon thorough complete investigation.

In FY2021, there were no cases of whistle-blowing incidents.

(b) ENTERPRISE RISK MANAGEMENT

To thrive in the evolving business landscape, adequate risk management is necessary to safeguard the long-term sustainability of the business, therefore, the Group is taking a proactive step in risk management. Enterprise Risk Management ("**ERM**") is a risk framework put in place by the Board and Management to identify and address potential events which poses risks to the achievement of the business objectives. The Group's ERM report identifies the key business risks relating to the Group's strategic objectives and provides an insight of the Group's current standing in the overall e-commerce industry.

The Group aims to stay vigilant in identifying and assessing emerging and existing risks and putting in place suitable risk responses in accordance to the risk appetite, in order to remain relevant and effective in the industry and current market outlook.

The Group recognises the importance of evaluating overall business risks and operating controls according to the AS/NZS ISO 31000:2009, Risk Management – Principles and Guidelines, constantly refining it to ensure that it remains relevant in our operating environment.

In FY2021, the Group has engaged an external consultant, Yang Lee & Associates, to conduct a risk assessment exercise for the Group. This exercise facilitated risk identification, risk ranking, identification of control activities and risk treatment plans and was reported to the Board.

(c) REGULATORY COMPLIANCE

Regulatory compliance is of paramount importance to the Group as any failure to comply will not only result in legal and financial impact, but also reputational loss to the Group. As a responsible organisation listed on the Catalist Board of the SGX-ST, we seek to comply with all relevant laws and regulations including the Catalist Rules of SGX-ST, Companies Act and Employment Act.

In view of the previously announced financial misstatements, we have implemented the use of Business Central Dynamics 365 ERP system during FY2020 as means to strengthen our financial reporting controls. With our strengthened controls, the Group has abided by the respective rules and regulations, and there were no incidents of non-compliance with any applicable laws and regulations that resulted in significant fines or non-monetary penalties in FY2021.

SUSTAINABILITY REPORT

MOVING FORWARD

The Group strives to be accountable to our stakeholders and will provide timely updates should there be any material developments in relation to the ongoing independent review of the previously announced financial misstatements. We are committed in inculcating a strong corporate culture with good governance practices and seek to address any internal control lapses in the Group to foster stakeholder's trust in us. We also strive to manage risk of the Group with regular risk assessment and ensure that they are adequately managed and aligned with the Group's risk appetite. We assess the internal controls to ensure that they remain effective in value adding the Group's governance, risk management and control processes.

In response to SGX and the Sponsor's queries on issues relating to our corporate governance, please refer to our official SGX announcements. It can be viewed and downloaded at <https://yventures.com.sg/investor.html>.

Governance Targets and Performance		
Perpetual Target	Performance for FY2021	Action Plans
Maintain zero instances of non-compliance and/or regulatory breaches	Zero cases of non-compliance and/or regulatory breaches	Ensure 100% compliance to all relevant regulatory requirements in the jurisdictions that we operate in
Maintain zero incidents of bribery or corruptions	Zero incidents of bribery or corruptions	Maintain a zero-tolerance attitude towards corruption and fraud

ECONOMIC

The Group aims to do business in a sustainable manner from the way we purchase to deliver so as to create long term value to our stakeholders. We are committed to enhance our financial standing by leveraging on our key competencies and streamlining our operations in order to value add our stakeholders.

To drive long term sustainable growth, we believe in incorporating social cause in our business strategy. With our technical expertise in digital marketing and e-commerce, the Group's wholly-owned subsidiary Y Ventures Lab Pte. Ltd. ("**YV Lab**") entered into a training service collaboration agreement with YP Academy Pte. Ltd. ("**YP Academy**") to conduct training courses to adults for job skills upgrading through online platform from 19 November 2020. Apart from developing our existing core business of the e-commerce retail and distribution of books, this also provided an avenue for the Group to engage in knowledge sharing of its expertise in digital marketing and e-commerce through the provision of training courses.

(a) **FINANCIAL PERFORMANCE**

The Group reported a revenue of approximately US\$30.52 million in FY2021 as compared to approximately US\$35.02 million in the FY2020. The decrease was mainly due to a decrease in the sales of books on online marketplaces. The COVID-19 pandemic has placed stress on the supply chain network supporting the E-commerce industry which has affected the timely movement of our inventory as well as logistics costs involved to meet the demand of our customers.

The Group's efforts to streamline its operations and improve overall cost efficiency resulted in substantial savings in administrative expenses in FY2021. The Group reported a reduction of its administrative expenses (excluded staff cost) by 17% from US\$1.48 million in FY2020 to US\$1.21 million in FY2021. For more information regarding the Group's financial performance, please refer to the Group's Annual Report for FY2021, pages 4 to 5.

SUSTAINABILITY REPORT

(b) PRODUCT QUALITY

Quality product and timely delivery is of utmost importance to the Group as we believe that these are essential in fostering trust and accountability to our customers. The Group collaborate with our suppliers and partners, such as third-party warehouses managed by various third-party logistics companies, to ensure that our merchandises are of good quality and are timely delivered.

With our established working relationships with our suppliers and partners, the Group strives to provide quality goods and services to our customers and we seek to fulfil and deliver a continuous stream of diverse book selections to achieve enhanced customer satisfaction. Based on the online store review at Amazon, the Group is pleased to achieve 97% positive feedback from its customers for the preceding 12 months as at 31 December 2021. The Group acknowledges that the main bulk of negative feedback arose due to minor defects experienced by the customer.

The Group will continually strive to improve and consider the feedback received and work towards providing better customer care to build customer loyalty.

MOVING FORWARD

To remain resilient in the intensely competitive e-commerce industry with emerging market players and local retailers with brick-and-mortar shops, strengthening our core competencies and reinforcing strong working relationships with our publishers remains as our utmost priority.

To navigate through the new challenges brought about by the COVID-19 pandemic, the Group recognises the importance of staying vigilant and continuing to monitor the impact of the pandemic to our business strategy and daily operations. The Group acknowledges that the pandemic may present new opportunities and should be operationally ready to adapt itself and identify these opportunities and respond accordingly.

Economic Targets and Performance			
Target for FY2021	Performance for FY2021	Action Plans	Target for FY2022
To reduce administrative expenses by 5%	Reduced administrative expenses (excluded staff cost) by 17%	We seek to exercise prudence in our budget planning and monitor our cost in lieu to the budget periodically	To reduce administrative expenses (excluded staff cost) by 3%
To maintain positive customer feedback at 95%	Achieved positive customer feedback at 97%	Continue to strength business relations with suppliers and partners in order to ensure customers received defect-free products in a timely manner	To maintain positive customer feedback at 95%

SOCIAL

At Y Ventures, we believe in creating a workplace where people and ideas can thrive, and discover diverse career development opportunities. We believe in empowering our employees as they are our greatest assets and will play a significant role in the success of our business. We value and respect differences and strive to make our work environment attractive for all employees. We endeavour to bring about a positive contribution to the communities we operate in through our business activities and initiatives.

SUSTAINABILITY REPORT

(a) OUR EMPLOYEES

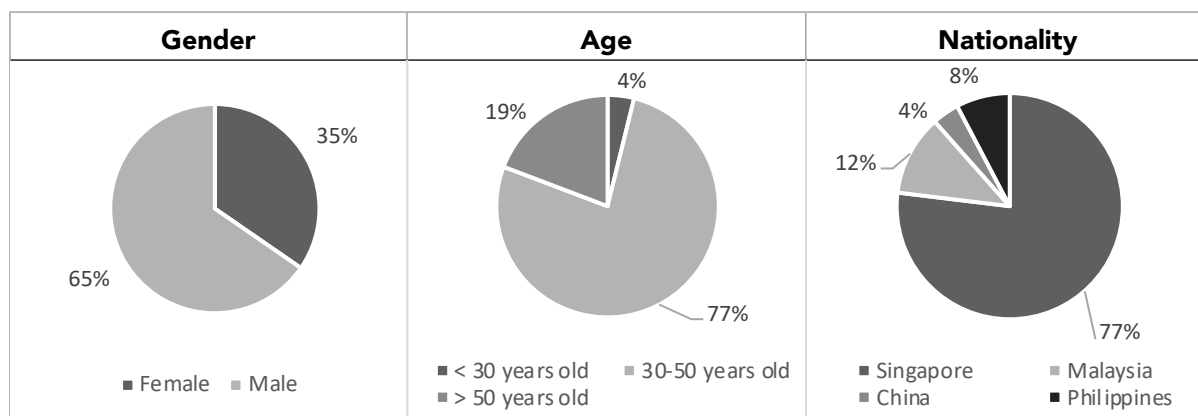
Promoting Diversity and Equal Opportunity

At Y Ventures, we believe that a diverse and inclusive workplace is a valuable asset as each employee brings a different strength, experience, background and skillsets which broaden the perspectives to the team. With a diverse pool of talents and expertise, it helps provide insights to develop innovative solutions which caters to the needs of customer base and shape better business decisions. We are committed to non-discrimination by race, colour, age, religion, gender, national origin, disability, genetic information, and sexual orientation or any condition or status as protected by law.

To create a more inclusive and diverse workplace, we demonstrate our commitment with our Employee Handbook formalised and aligned with the key principles defined by the Tripartite Guidelines on Fair Employment Practices and the Ministry of Manpower's Fair Consideration Framework.

We value our staff and emphasise on staff recruitment, development and retention. We source for talent internally and externally to build bench strength and talent pipeline for leadership succession planning. To better recognise potential and talent who can value add to our Group, we identify candidates through holistic consideration of their knowledge, competency, attitude and cultural fit. Apart from fresh graduates, Y Ventures employs experienced and mid-career professionals as well as industry veterans. We are committed to fair-pay practices and developing employment packages that are catered for each individual employee and to their respective job requirements so that they will feel motivated and aligned with our mission, vision and values of the Group.

As at 31 December 2021, we have 25 employees. The employee demographic for FY2021 is presented as follows:



We take a proactive step to nurture fresh talent in the talent pipeline to ensure new ideas generation and adequate manpower for the business. In FY2021, nine employees left the Group and the employee turnover rate was 32%. Nonetheless, during the year, five new employees joined the Group and the new employee hire rate was 18%, these new hires onboarded to contribute their industry experience and technical expertise to the Group. The gender and age group profiles of the new hires and employee turnover are summarised as follows:

	Gender Profile		Age Group Profile		
	Female	Male	Less than 30 years old	30-50 years old	More than 50 years old
New Hires	60%	40%	-	100%	-
Employee Turnover	56%	44%	11%	89%	-

SUSTAINABILITY REPORT

Performance Appraisal

We believe that an open appraisal system is an open, formal and systematic system which empowers employees to have greater ownership and also provides an avenue for employees to hone their strength for growth which maximises productivity and performance.

We have adopted an “Open-Communication Culture” as we recognise that employee engagement is a crucial factor in building a robust corporate culture. The process of employees communicating their personal and career development goals with their supervisors improves employee’s morale and fosters greater trust in the workplace. Furthermore, all full-time employees undergo an annual performance review where there is open and honest feedback on employee’s performance, areas for improvement, development needs and career planning. This helps to align employees and engages them to be connected to the Group’s goals and objectives. We reward and motivate employees with comprehensive and competitive compensation and benefits programmes to encourage greater job satisfaction and business goal achievements.

Occupational Health and Safety

At Y Ventures, we put the occupational health and safety of our employees at utmost importance. In view of the COVID-19 pandemic, we strive to ensure compliance with regulations such as the Workplace Safety and Health Act and COVID-19 related movement restrictions.

We strictly and consistently follow and respond timely to the updates of the local authorities and promptly adhered to the recommended safe management measures such as virtual meeting sessions, remote working arrangements and 1-meter physical distancing within office spaces to mitigate the risk of infection.

The human resource department disseminated corporate circular on the COVID-19 pandemic, medical and travel advisories to ensure that staff’s concerns on issues like flexible working arrangements, work-life balance and health concerns are adequately addressed. The Group prioritises the welfare of the employees, therefore, all employees are covered under comprehensive insurance package which includes outpatient and hospitalisation care. To upkeep a high standard of hygiene for the well-being of our employees, we requested for disinfection of the office quarterly since September 2021. Antigen rapid test kits and face masks are made available in office and given to our staff.

With good occupational health and safety practice, Y Ventures is pleased to share that it has continued to meet its target of zero workplace health and safety incidents in FY2021.

Training and Development

The Group believes in investing in the growth of our employees as Y Ventures values our people. We recognise the need that our employees should maintain competitive in this evolving business landscape. Therefore, Y Ventures seeks to provide on the job training to empower and engage our employees in their daily job function. At Y Ventures, we encourage a culture of continuous learning and development for all our employees to remain relevant and resilient in this dynamic and digital world. However, in view of the COVID-19 pandemic and safety measures in place, the Group recognises that it experiences challenges in sending staff for training which attributed to the decline in training hours in FY2021.

SUSTAINABILITY REPORT

Building Communities

The Group has embraced its civic responsibility in cultivating resilience amongst those with livelihood affected by the COVID-19 pandemic through initiating a training service collaboration agreement between our subsidiary, YV Lab and YP Academy and has started this initiative since 19 November 2020. Leveraging on our technical expertise and manpower resources, we conduct training courses on digital marketing and e-commerce to adults for job skills upgrading through online platform.

As a socially responsible corporate, the Group seeks to create positive impact in the community it operates in. Therefore, the Group took a proactive step in this community development initiative and believe that the provision of the training courses in partnership with NTUC Learning Hub is in line with the Singapore Government's initiative to encourage its citizens to reskill and upskill themselves.

In FY2021, we have a total of 171 individuals who have enrolled into the training course to embark on their journey of skills upgrading.

Investing in Leadership

Y Ventures is committed to invest in leadership to ensure that the Group's key leadership positions are helmed by qualified and experienced professionals to ensure long term business continuity. Therefore, incumbent leaders are trained to actively identify and groom promising employees to facilitate leadership succession planning.

As part of our strategic leadership building efforts, a mentoring programme was established to provide dedicated leadership training for employees who exhibits exemplary performance. As we seek to provide fair and equitable growth opportunities for all employees, we developed new hire programme stewarded by the heads of departments to help new hires assimilate, grow and develop better. It includes various workshops to orientate them with the Group's businesses, core values and functions of different departments. With employees' performance reviewed and guided by their mentors, it allows them to have better understanding of their potential and to grow in their current roles.

Flexi-Working Arrangements

At Y Ventures, we recognise the importance and benefits of embracing flexi-work arrangements. We are of the view that flexibility in working arrangements help to boost staff's productivity level and contribute to a conducive and supportive working environment which promotes work-life balance.

We offer flexi-working arrangements in the form of flexible working hours and work-from-home arrangements to improve employee's health wellness, job satisfaction and to inculcate a strong sense of personal responsibility over time management. We seek to attract, motivate and retain our valued employees through the provision of these flexi-work arrangements. We provide additional leave days so as to allow our employees to fulfil their personal commitments when required. We ensure that all qualifying employees are entitled with parental/maternity leave with assurance over their job security.

(b) OUR COMMUNITY

Books for Africa

Giving back to the community is one of the core traits embedded at the heart of Y Venture's sustainability strategy. As a socially responsible business, the Group is committed to the cause of helping to end the poverty cycle and helping underprivileged children attain a better quality of life than previous generations. Therefore, we resonate strongly with the Books for Africa initiative's belief that every child deserves an opportunity to have access to education. In FY2021, we actively participated in this social initiative by donating a total of 1,188 books to endorse their efforts in promoting a culture of literacy to empower the betterment of their next generation in Africa.

SUSTAINABILITY REPORT

MOVING FORWARD

We actively seek to integrate sustainability practices in our business goals and strategies to drive long term sustainability growth. We will continue dedicating efforts on investing in our human capital and caring for our employee's well-being. We strive to build a diverse and inclusive workplace where every employee feels valued and empowered. We also aim to continue to endeavour our efforts for social cause and show compassion and care for the underprivileged in society. In all, we are committed to focus on sustainable practices which can boost our potential for long term value creation.

Social Targets and Performance			
Target for FY2021	Performance for FY2021	Action Plans	Target for FY2022
To nurture a diverse, competent and dedicated talent pool that will create value and growth for the Group (Perpetual target)	We dedicated our efforts in nurturing our talent pool with measures aforementioned: <ul style="list-style-type: none"> • Promoting Diversity and Equal Opportunities • Performance appraisal • Occupational Health and Safety • Training and Development • Building communities • Investing in leadership • Flexi-working arrangements 	Continue to attract, retain and nurture a diverse, competent and dedicated talent pool that will create value and growth for the Group	To nurture a diverse, competent and dedicated talent pool that will create value and growth for the Group (Perpetual target)
To achieve an average of 5 training hours per employee	Average zero training hours per employee, due to challenges in arranging for employee training amidst the pandemic	Provide employees with equal opportunity to be considered for training and development based on their strengths and needs, to help them achieve their full potential	To achieve an average of 5 training hours per employee
To make a difference to the well-being of the community through involvement in community development programmes	Donated a total of 1,188 books to Books for Africa	Provide employees with opportunities to give back to society and use our skills to generate awareness for social causes	To make a difference to the well-being of the community through involvement in community development programmes

SUSTAINABILITY REPORT

ENVIRONMENT

With the alarming pace of environmental degradation for the past few decades, Y Ventures is more committed than ever toward sustainable conservative efforts. We strive towards forging a sustainable business through adopting eco-friendly measures and reducing environmental impacts caused by the Group. We are also dedicated to be a service provider which empowers our stakeholders and customers to minimise their environmental impacts.

With an increasing awareness of global climate crisis, this urgently call for collective actions towards environmentally friendly measures, and this transforms the way we conduct business significantly.

(a) **CARBON FOOTPRINT REDUCTION**

At Y Ventures, we believe in creating a sustainable work environment and being conscientious in our conservative efforts through our daily endeavours and business operation. We have moved to a smaller office in FY2021, in line with the changes in our employee headcount and in hope to reduce electricity usage.

We believe that every small step is vital in making a difference, hence, we continue to monitor our electricity usage.

Electricity usage (kWh)	FY2021	FY2020
Warehouse	11,825	10,641

The electricity usage at our warehouse increased by 11% in FY2021 as compared to FY2020 as lesser electricity was consumed in FY2020 due to circuit breaker measures.

As an environmentally conscious firm, we strive to inculcate a culture of green practices among our employees and raise awareness of the importance of environmental conservation in the firm. We encourage employees to take small daily eco-friendly steps such as switching off lights and computers when not in use and reducing paper use whenever possible. Through incorporating daily eco-friendly habits, we seek to reduce our climate footprint.

(b) **WASTE MANAGEMENT**

At Y Ventures, we recognise that waste management is one of the essential measures in environmental preservation. We believe that it is imperative to integrate waste reduction practices in our daily business operations. Therefore, we strive to cut back on our paper usage. This includes adopting green practices such as encouraging the usage of e-mails, e-fax and promoting a “think before you print/copy” culture amongst the employees to instil a sustainable corporate culture. To reduce paper consumption, we strongly encourage online alternatives in our work processes. We aim to go digital, hence, all employees are able to readily access data in digital formats without the need to print hard copies to reduce unnecessary paper consumption.

To demonstrate our dedication to sustainable efforts, we utilise efficient work tools such as online platforms to obtain quotations and respective service requests to minimise waste. To incentivise our existing customers to join us in going green, we provide a 5% discount for online quotation service users. The process is also simplified to encourage higher usage; therefore, customers simply have to snap a photo of the items to be disposed and submit an online form.

SUSTAINABILITY REPORT

We reinforce our belief of promoting eco-friendly initiatives by taking active steps in building an eco-friendly business. Skap Waste, a subsidiary of Y Ventures, has established itself as a leading waste management and bulky waste disposal company in Singapore since its inception in 2009. In light of the growing awareness over climate-related risks and considering the unbridled consumeristic culture in today's era, the Group believes that great business opportunities and potential lies in green waste management services. Skap Waste affirms that economic growth can be developed alongside with sustainable environmental efforts. Embracing the conservational philosophy of "Reduce, reuse, recycle", Skap Waste is committed in the endeavour of transforming trash into "treasure" and seeks to create economic value in waste which would have been otherwise thrown away. In FY2021, a total weight of 170kg of metallic scrap materials were sent for recycling, which is lesser as compared to FY2020. This is mainly due to decrease in such transactions in FY2021.

MOVING FORWARD

It is essential for business to incorporate green practices to build and transit into a sustainable economy. As an environmentally aware business, we seek to play our part by integrating eco-friendly practices in our daily business and encourage a "go-green" mindset amongst our employees. We believe that it requires the collective effort of every individual to forge a sustainable business. We will continue to monitor our electricity usage as part of our sustainable living initiative. Driven by our commitment to safeguard our environment, we will strive to provide effective waste management services and value add the environment which we operate in.

Environmental Targets			
Target for FY2021	Performance for FY2021	Action Plans	Target for FY2022
To reduce energy consumption by 5%	Energy consumption increased by 11%	To encourage environmentally sustainable habits for employees to adopt	To reduce energy consumption by 5%
To recycle 2,000kg of metallic scrap materials	Recycled 170kg of metallic scrap materials	To continue to promote and develop the waste management business to increase the volume of waste recycled	To recycle 2,000 kg of metallic scrap materials

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standard	Disclosure Number & Title	Page Reference & Remarks	
GRI 101: Foundation 2016			
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	Organizational profile		
	102-1	Name of the organization	Corporate Profile (page 2)
	102-2	Activities, brands, products, and services	
	102-3	Location of headquarters	
	102-4	Location of operations	
	102-5	Ownership and legal form	Notes to Financial Statements – 1. Corporate Information (page 92) Shareholdings Statistics (pages 143-144)
	102-6	Markets served	Corporate Profile (page 2)
	102-7	Scale of the organization	Corporate Profile (page 2) Financial Review (pages 4-5) Sustainability Report – Social – Our Employees (page 68)
	102-8	Information on employees and other workers	Sustainability Report – Social – Our Employees (page 68)
	102-9	Supply chain	Corporate Profile (page 2)
	102-10	Significant changes to the organization and its supply chain	Corporate Profile (page 2) Chairman’s Statement (page 3)
	102-11	Precautionary Principle or approach	Sustainability Report – Governance – Enterprise Risk Management (page 65)
	102-12	External initiatives	None
	102-13	Membership of associations	None
Strategy			
102-14	Statement from senior decision-maker	Sustainability Report – Board Statement (page 56)	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Sustainability Report – Governance (pages 64-66)	
Governance			
102-18	Governance structure	Annual Report- Corporate Information (page 6) Sustainability Report – Our Sustainability Team (page 58)	
102-19	Delegating authority	Sustainability Report – Our Sustainability Team (page 58)	
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Report – Our Sustainability Team (page 58)	
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Report – Stakeholder Engagement (pages 59-60)	

SUSTAINABILITY REPORT

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
102-22	Composition of the highest governance body and its committee	Corporate Governance Report – Board Matters (pages 10-24)
102-23	Chair of the highest governance body	Corporate Governance Report – Board Matters (pages 10-24)
102-24	Nominating and selecting the highest governance body	Corporate Governance Report – Board Matters (pages 10-24)
102-25	Conflicts of interest	Corporate Governance Report – Board Matters (pages 10-24) Sustainability Report – Governance – Employees Code of Conduct (page 64)
Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability Report – Stakeholder Engagement (pages 59-60)
102-41	Collective bargaining agreements	None of our employees have joined trade union
102-42	Identifying and selecting stakeholders	Sustainability Report – Stakeholder Engagement (pages 59-60)
102-43	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement (pages 59-60)
102-44	Key topics and concerns raised	Sustainability Report – Stakeholder Engagement (pages 59-60)
Reporting practice		
102-45	Entities included in the consolidated financial statements	Notes to Financial Statements – 15. Investment in subsidiaries (pages 119-122)
102-46	Defining report content and topic Boundaries	Sustainability Report – About This Report (page 57)
102-47	List of material topics	Sustainability Report – Material Topics – At A Glance (pages 62-63)
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	Sustainability Report – About This Report (page 57)
102-51	Date of most recent report	31 December 2020 (FY2020 Annual Report)
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report – About This Report (page 57)
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report – About This Report (page 57)
102-55	GRI content index	Sustainability Report – GRI Content Index (pages 74-76)
102-56	External assurance	Y Ventures has not sought external assurance for this sustainability report

SUSTAINABILITY REPORT

GRI Standard	Disclosure Number & Title	Page Reference & Remarks	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Sustainability Report – Material Topics – At A Glance (pages 62-63) – Governance (pages 64-66) – Economic (pages 66-67) – Governance (pages 64-66) – Social (pages 67-71) – Environment (pages 72-73)
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GOVERNANCE – BUSINESS ETHICS AND ANTI-CORRUPTION			
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report – Governance (pages 64-66)
ECONOMIC – PRODUCT QUALITY ASSURANCE			
-	-	Customer satisfaction level	Sustainability Report – Economic (pages 66-67)
ECONOMIC – DIRECT AND INDIRECT ECONOMIC IMPACT			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Review (pages 4-5) Financial Statements (pages 85-142)
SOCIAL – TALENT ATTRACTION AND RETENTION			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report – Social (pages 67-71)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
SOCIAL – TRAINING AND DEVELOPMENT			
-	-	Training hours logged by employees	Sustainability Report – Social (pages 67-71)
SOCIAL – COMMUNITY			
-	-	Contribution of books to Books for Africa	Sustainability Report – Social (pages 67-71)
ENVIRONMENTAL – WASTE MANAGEMENT			
-	-	Weight of metallic waste recycled	Sustainability Report – Environment (pages 72-73)
ENVIRONMENTAL – CARBON FOOTPRINT REDUCTION			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainability Report – Environment (pages 72-73)

DIRECTORS' STATEMENT

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Y Ventures Group Ltd. (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 85 to 142 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, after considering the measures taken by the Group in Note 3(a), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Low Yik Sen
Low Yik Jin
Edward Tiong Yung Suh
Ng Tiong Gee
Lew Chern Yong
Tan Jia Kien
Tan Chade Phang (Appointed on 1 August 2021)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

Name of directors	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At 1.1.2021	At 31.12.2021	At 1.1.2021	At 31.12.2021
The Company				
Low Yik Sen	–	–	53,365,000 ⁽¹⁾	53,365,000 ⁽¹⁾
Low Yik Jin	71,115,000	71,115,000	2,750,000 ⁽²⁾	2,750,000 ⁽²⁾
Edward Tiong Yung Suh	50,000	50,000	–	–
Ng Tiong Gee	–	–	100,000 ⁽³⁾	100,000 ⁽³⁾
Lew Chern Yong	–	–	60,500,000 ⁽⁴⁾	60,500,000 ⁽⁴⁾

Notes:

- (1) Mr. Low Yik Sen is deemed to be interested in 53,365,000 shares held under custodian nominee account(s).
- (2) Mr. Low Yik Jin is deemed to be interested in 2,750,000 shares held under custodian nominee account(s).
- (3) Mr. Ng Tiong Gee is deemed to be interested in 100,000 shares registered in the name of a nominee account of UOB Kay Hian Private Limited.
- (4) Mr. Lew Chern Yong is the sole shareholder of Amber Blaze Limited, a company incorporated in the British Virgin Islands, and accordingly is deemed to be interested in the ordinary shares in the issued share capital of the Company held by Amber Blaze Limited by virtue of Section 4 of the Securities Futures Act (Chapter 289) of Singapore.

In addition, on 10 July 2020, Mr. Low Yik Sen entered into a call option agreement ("Call Option Agreement") with Amber Blaze Limited, pursuant to which Mr. Low Yik Sen agreed to grant an option in favor of Amber Blaze Limited, to purchase an aggregate of up to 48,000,000 ordinary shares (collectively, "Option Shares" and each an "Option Share") in the issued share capital of the Company owned by Mr. Low Yik Sen (the "Call Option") at an aggregate option price of S\$2,400,000, being S\$0.05 per Option Share on the terms and conditions of the Call Option Agreement. As at the date of this Directors' Statement, the Call Option has not been exercised by Amber Blaze Limited, through which Amber Blaze Limited has a deemed interest in 48,000,000 ordinary shares in the Company.

The directors, Mr. Low Yik Sen, Mr. Low Yik Jin and Mr. Lew Chern Yong, by virtue of Section 7 of the Act, are deemed to have an interest in whole of the issued share capital of all the wholly-owned subsidiary corporations of the Group and in the following subsidiary corporations that are not wholly-owned by the Group.

DIRECTORS' STATEMENT

Directors' interest in shares or debentures (cont'd)

	Number of ordinary shares	
	At 1.1.2021	At 31.12.2021
Ordinary share with par value of US\$1.00 each		
JustNile Holdings	222,261	222,261
Ordinary share with par value of INR100.00 each		
Jaykin Distribution (India) Private Limited	510	510

The directors, Mr. Low Yik Sen, Mr. Low Yik Jin and Mr. Lew Chern Yong's interest in the ordinary shares of the Company and subsidiary corporations as at 21 January 2022 were the same as those as at 31 December 2021.

Mr. Lew Chern Yong is the sole shareholder of Amber Blaze Limited, a company incorporated in the British Virgin Islands, and accordingly is deemed to be interested in the ordinary shares in the issued share capital of the Company held by Amber Blaze Limited by virtue of Section 4 of the Securities Futures Act (Chapter 289) of Singapore. On 10 July 2020, Mr. Low Yik Sen entered into a Call Option Agreement with Amber Blaze Limited. As at the date of this Directors' Statement, the Call Option has not been exercised by Amber Blaze Limited, through which Amber Blaze Limited has a deemed interest in 48,000,000 ordinary shares in the Company.

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Y Ventures Performance Share Plan

In conjunction with the Company's listing on the Catalist Board of Singapore Exchange Securities Trading Limited, the Company has adopted the Y Ventures Group Ltd.'s Performance Share Plan (the "PSP") which was approved by members of the Company on 2 June 2017.

The PSP is administered by the Remuneration Committee of the Company, currently comprises Mr. Edward Tiong Yung Suh, Mr. Tan Chade Phang, Mr. Ng Tiong Gee and Mr. Tan Jia Kien.

On 5 May 2021, a total of 5,194,000 ordinary shares were granted and issued to selected employee of the Company pursuant to the PSP during the year. No awards were granted to the Directors of the Company.

Save for the PSP, the Company does not have any other share option or incentive scheme.

DIRECTORS' STATEMENT

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Tan Chade Phang (Chairman) (Appointed on 16 August 2021)
Edward Tiong Yung Suh
Ng Tiong Gee
Tan Jia Kien

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Report on Corporate Governance.

In performing its functions, the Audit Committee met with the Company's independent external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed, amongst others, the following:

- (a) the independence and objectivity of the external auditor;
- (b) the audit plan and scope of work carried out by the external auditor and also met with the external auditor to discuss the results of their audit and their evaluation of the system of internal accounting controls;
- (c) the overall scope and timing of the work to be carried out by the internal auditor and also met with internal auditor to discuss the results of their internal audit procedures;
- (d) the financial statements of the Company and the Group for the financial year ended 31 December 2021 and the independent auditor's report thereon; and
- (e) interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of directors that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Lew Chern Yong
Director

Low Yik Jin
Director

1 April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Y Ventures Group Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Y Ventures Group Ltd. (the "Company") and its subsidiaries (the "Group") as set out on pages 85 to 142, which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories at the lower of costs and net realisable value

The key audit matter:

The Group's inventories totalled US\$9,471,791 (2020: US\$22,115,681) which accounted for 68% (2020: 84%) of the Group's total assets as at 31 December 2021. The Group's inventories consist of books which are carried at the lower of cost and net realisable value. Inventories are written down below cost to net realisable value if they are slow-moving or if their selling prices have declined. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Management identifies and writes down slow-moving inventories on a title-by-title basis by considering sales volume during the year, projected demand, publisher of the book title and current market condition. Write-down of inventories charged to the Group's profit or loss for the current financial year amounted to US\$47,244 (2020: US\$112,658). As the determination of net realisable value of inventories requires significant management judgement, we have identified this as a key audit matter.

The significant estimates and judgement applied in the valuation of inventories are included in Note 3 and disclosures for inventories are included in Note 16 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Y Ventures Group Ltd.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Valuation of inventories at the lower of costs and net realisable value (cont'd)

Our audit procedures to address the key audit matter:

We obtained an understanding of management's assessment of valuation of inventories and the process in which the valuation was developed. We evaluated management's identification of slow-moving inventories by reviewing management's inventory report and checking the inventory report to recent sale transactions, publisher of the book title and any agreement with the publisher for the exchange or refund of non-sellable books. For inventories identified to be slow-moving and for which there is no agreement with the publisher for exchange or refund, we checked the adequacy of inventory write down for these items. We assessed the net realisable value of inventories by checking to recent sale price, average selling price for the year and market transacted price, where relevant, and reviewing the gross margins.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2021 Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Y Ventures Group Ltd.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Y Ventures Group Ltd.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Guo Shuqi.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

1 April 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	Group	
		2021 US\$	2020 US\$
Revenue	4	30,520,220	35,018,866
Cost of sales		(18,867,864)	(20,932,811)
Gross profit		11,652,356	14,086,055
Other income			
- Others	5	427,212	761,309
- Interest income		44	1,718
Expenses			
Selling and distribution expenses		(9,816,944)	(10,332,813)
Administrative expenses		(3,753,690)	(3,609,274)
Finance costs	6	(36,997)	(57,471)
(Loss)/profit before tax	7	(1,528,019)	849,524
Tax credit/(expense)	9	23,729	(89,801)
(Loss)/profit for the year		(1,504,290)	759,723
Other comprehensive (loss)/income:			
<i>Item that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		(8,648)	8,569
Total comprehensive (loss)/profit for the year		(1,512,938)	768,292
(Loss)/profit attributable to:			
Equity holders of the Company		(1,565,923)	739,289
Non-controlling interests		61,633	20,434
		(1,504,290)	759,723
Total comprehensive (loss)/profit attributable to:			
Equity holders of the Company		(1,574,133)	747,504
Non-controlling interests		61,195	20,788
		(1,512,938)	768,292
(Loss)/earnings per share attributable to equity holders of the Company (cents per share)			
Basic and diluted	10	(0.6)	0.3

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

At 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		US\$	US\$	US\$	US\$
Non-current assets					
Property, plant and equipment	11	27,507	33,910	985	4,524
Right-of-use assets	12	185,469	198,205	–	–
Intangible assets	13	169,300	18,863	12,296	18,863
Investment property	14	1,286,212	1,187,117	–	–
Investment in subsidiaries	15	–	–	2,528,009	2,343,311
Total non-current assets		1,668,488	1,438,095	2,541,290	2,366,698
Current assets					
Inventories	16	9,471,791	22,115,681	–	–
Trade and other receivables	17	1,177,009	527,857	767,886	2,101,767
Contract assets	18	–	85,232	–	–
Cash and bank balances		1,537,758	2,066,918	786,980	550,847
Total current assets		12,186,558	24,795,688	1,554,866	2,652,614
Total assets		13,855,046	26,233,783	4,096,156	5,019,312
Non-current liabilities					
Borrowings	19	887,686	891,416	–	–
Deferred tax liabilities		30,686	30,686	–	–
Total non-current liabilities		918,372	922,102	–	–
Current liabilities					
Trade and other payables	20	9,206,065	19,498,287	596,761	842,696
Contract liabilities	18	18,505	142	–	–
Borrowings	19	140,347	922,949	–	–
Tax payable		193,035	287,202	–	–
Total current liabilities		9,557,952	20,708,580	596,761	842,696
Total liabilities		10,476,324	21,630,682	596,761	842,696
Net assets		3,378,722	4,603,101	3,499,395	4,176,616
Equity					
Share capital	21	11,204,164	10,934,053	11,204,164	10,934,053
Currency translation reserve		2,467	10,677	–	–
Accumulated losses		(5,487,564)	(3,921,641)	(7,704,769)	(6,757,437)
Merger reserve	22	(2,455,477)	(2,455,477)	–	–
Equity attributable to equity holders of the Company, total		3,263,590	4,567,612	3,499,395	4,176,616
Non-controlling interests		115,132	35,489	–	–
Total equity		3,378,722	4,603,101	3,499,395	4,176,616

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company											
	Share capital		Accumulated losses		Merger reserve		Total		Non-controlling interests		Total equity	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2021	10,934,053	10,677	(3,921,641)	(2,455,477)	4,567,612	35,489	4,603,101					
(Loss)/profit for the year	-	-	(1,565,923)	-	(1,565,923)	61,633	(1,504,290)					
Other comprehensive loss	-	(8,210)	-	-	(8,210)	(438)	(8,648)					
Currency translation differences arising from consolidation	-	(8,210)	(1,565,923)	-	(1,574,133)	61,195	(1,512,938)					
Total comprehensive (loss)/income for the year												
Capital repayment to non-controlling interests on liquidation of subsidiary	-	-	-	-	-	(9,235)	(9,235)					
Issuance of ordinary shares (Note 21)	270,111	-	-	-	270,111	-	270,111					
Acquisition of a subsidiary (Note 15(b))	-	-	-	-	-	27,683	27,683					
Balance at 31 December 2021	11,204,164	2,467	(5,487,564)	(2,455,477)	3,263,590	115,132	3,378,722					

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

For the financial year ended 31 December 2021

Group	Attributable to equity holders of the Company							Total equity
	Share capital	Currency translation reserve	Accumulated losses	Merger reserve	Fair value reserve	Total	Non-controlling interests	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Balance at 1 January 2020	10,306,302	2,462	(4,631,929)	(2,455,477)	(29,001)	3,192,357	14,701	3,207,058
Profit for the year	–	–	739,289	–	–	739,289	20,434	759,723
Other comprehensive income	–	8,215	–	–	–	8,215	354	8,569
Currency translation differences arising from consolidation	–	8,215	–	–	–	8,215	354	8,569
Total comprehensive income for the year	–	8,215	739,289	–	–	747,504	20,788	768,292
Issuance of ordinary shares (Note 21)	627,751	–	–	–	–	627,751	–	627,751
Derecognition of financial asset at fair value through other comprehensive income	–	–	(29,001)	–	29,001	–	–	–
Balance at 31 December 2020	10,934,053	10,677	(3,921,641)	(2,455,477)	–	4,567,612	35,489	4,603,101

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

		Share capital	Accumulated losses	Fair value reserve	Total equity
	Note	US\$	US\$	US\$	US\$
Company					
Balance at 1 January 2020		10,306,302	(6,613,668)	(29,001)	3,663,633
Loss and total comprehensive loss for the year		–	(114,768)	–	(114,768)
Issuance of ordinary shares	21	627,751	–	–	627,751
Derecognition of financial asset at fair value through other comprehensive income		–	(29,001)	29,001	–
Balance at 31 December 2020		10,934,053	(6,757,437)	–	4,176,616
Loss and total comprehensive loss for the year		–	(947,332)	–	(947,332)
Issuance of ordinary shares	21	270,111	–	–	270,111
Balance at 31 December 2021		11,204,164	(7,704,769)	–	3,499,395

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	2021	2020
	US\$	US\$
Cash flows from operating activities		
(Loss)/profit before tax	(1,528,019)	849,524
Adjustments for:		
Amortisation of intangible assets	6,567	132,316
Bad debts written off (trade)	95	37,711
Depreciation of investment property	27,554	29,746
Depreciation of property, plant and equipment	29,799	50,311
Depreciation of right-of-use assets	168,767	176,968
Gain on disposal of property, plant and equipment	(37)	(18,054)
Reversal of impairment loss on investment property	(126,649)	–
Share-based compensation	270,111	–
Intangible assets written off	–	68,701
Interest expense	36,997	57,471
Interest income	(44)	(1,718)
Right-of-use assets written off	–	188
Unrealised exchange (gain)/loss	(5,465)	725
Write-down of inventories	47,244	112,658
Operating cash flows before working capital change	(1,073,080)	1,496,547
Inventories	12,596,646	(221,319)
Receivables and contract assets	(560,791)	553,160
Payables and contract liabilities	(10,412,095)	(877,386)
Currency translation adjustments	(14,604)	6,880
Cash flows from operations	536,076	957,882
Income tax (paid)/refund	(70,438)	7,027
Interest received	44	1,718
Net cash generated from operating activities	465,682	966,627

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the financial year ended 31 December 2021

	2021	2020
	US\$	US\$
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	37	18,102
Purchases of property, plant and equipment	(25,044)	(10,485)
Government grant received related to property, plant and equipment	1,442	–
Purchase of intangible assets	–	(37,486)
Capital repayment to non-controlling interests on liquidation of subsidiary	(9,235)	–
Net cash inflow from acquisition of a subsidiary (Note 15 (b))	5,691	–
Net cash used in investing activities	(27,109)	(29,869)
Cash flow from financing activities		
Repayments of borrowings	(34,457)	(1,036,607)
Proceeds from issue of shares, net	–	627,751
Interest paid	(32,152)	(52,584)
Interest paid on lease liability	(4,845)	(4,887)
Repayment of lease liabilities	(165,153)	(233,254)
Net cash used in financing activities	(236,607)	(699,581)
Net increase in cash and cash equivalents	201,966	237,177
Cash and cash equivalents at beginning of the financial year	1,328,902	1,091,858
Effects of exchange rate changes on cash and cash equivalents	6,890	(133)
Cash and cash equivalents at end of the financial year	1,537,758	1,328,902

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	2021	2020
	US\$	US\$
Cash and bank balances	1,537,758	2,066,918
Less: Bank overdrafts (Note 19)	–	(738,016)
Cash and cash equivalents per consolidated statement of cash flows	1,537,758	1,328,902

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

Y Ventures Group Limited (the "Company") (Co. Reg. No. 201300274R) was incorporated and domiciled in Singapore and listed on the Catalist Board of Singapore Exchange Securities Trading Limited.

The registered office of the Company is at 6001 Beach Road, #09-01 Golden Mile Tower, Singapore 199589.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 15.

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in United States Dollar ("US\$"), which is the Company's functional currency. The financial statements have been prepared in accordance with provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year, are disclosed in Note 3.

The carrying amounts of cash and bank balances, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting date but are not yet effective for the financial year ended 31 December 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balance and transactions, including income, expenses and dividends are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. Under this method, the Company has been treated as the holding company of the subsidiaries as if combination had occurred from the date the subsidiaries first came under the control of the same shareholders. Accordingly, the results of the Group include the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise.

All other business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(d). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statements of comprehensive income, statements of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated losses if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

d) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating units is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

e) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the depreciable amount of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Vehicles	5
Renovation	2 to 3
Furniture and fittings	3
Office equipment	1

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

f) Intangible assets

Acquired computer software development costs

Acquired computer software development costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software development costs are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

g) Investment properties

Investment properties include those portions of properties that are held to earn rental income and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years for freehold property and 3 years for renovation. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

h) Impairment of non-financial assets excluding goodwill

At the end of each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

h) Impairment of non-financial assets excluding goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

i) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost.

The classification is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments

Debt instruments include cash and bank balances, trade and other receivables (excluding prepayments, advance to suppliers and GST receivables). These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristics of the asset.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

i) Financial assets (cont'd)

Subsequent measurement (cont'd)

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

j) Cash and cash equivalents in the consolidated statement of cash flows

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts that form an integral part of the Group's cash management. Bank overdrafts are presented as current borrowings on the statements of financial position.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

l) Financial liabilities

Financial liabilities include trade and other payables (excluding GST payables, deferred government grants and provision for unutilised leave) and borrowings.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

m) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers* and the amount of expected loss computed using the impairment methodology under SFRS(I) 9 *Financial Instruments*.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

n) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

o) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

p) Revenue recognition

Sale of goods

Revenue is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return.

Revenue from these sales is recorded based on the contracted price after considering expected sales returns. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is generally unconditional because only the passage of time is required before the payment is due and the risk of return is insignificant. No element of financing is deemed present. For sale of goods where advances are received from customers, the differences between the consideration received in accordance with the payment terms and revenue recognised is classified as contract liabilities.

Revenue from logistics and freight forwarding services

Revenue from the above services is recognised at a point in time when control over the goods to be shipped/delivered is transferred to the customer and the timing of which is determined by the delivery and shipping contractual terms and International Commercial Terms. The performance obligation is measured at a point in time once the service has been completed upon transfer or delivery of goods as the performance obligation has been met. Payment of the transaction price is due immediately at the point when control over the goods is transferred to the customer. No element of financing is deemed present.

Waste management services

Revenue from waste management services rendered by the Group is recognised at a point in time when the services have been performed and completed as the service is generally completed within a day. Payment of the transaction price is due immediately at the point when services are completed. No element of financing is deemed present.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

p) Revenue recognition (cont'd)

Training service

Revenue is recognised as a performance obligation satisfied over time and are recognised over the duration of the course and in the period during which service is provided, having regards to the stage of completion of the service. Payment of training service is not due from customer until the services are complete and therefore a contract asset is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income

Lease payments from operating leases are recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

q) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants related to assets are presented in the statements of the financial position by deducting the grant in arriving at the carrying amount of the asset.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

r) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephone). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

r) Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct costs, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost related to a right-of-use asset, the costs are included in the related right-of-use, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except those which meets the definition of an investment property) are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h).

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient for its leases of warehouse units.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liabilities are presented within "borrowings" in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification such as a change in the lease term, a change in the lease payment (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

r) Leases (cont'd)

When a Group entity is the lessee (cont'd)

When a Group entity is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

s) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

Share-based compensation

Employees of the Group receive remuneration in the form of share award as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the award granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share capital account.

t) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

t) Income taxes (cont'd)

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting date.

u) Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in United States Dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the date of the statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

u) Functional and foreign currencies (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) *Going concern assumption*

The Group recorded a net loss and total comprehensive loss of US\$1,504,290 and US\$1,512,938 respectively for the financial year ended 31 December 2021, and at 31 December 2021 has net current assets and net assets of US\$2,628,606 and US\$3,378,722 respectively. The Group also recorded net cash generated from operating activities of US\$465,682 for the financial year ended 31 December 2021.

The Group's ability to continue as a going concern is dependent on the Group's ability to maintain its bank borrowings and credit terms with its major suppliers. It is also dependent on its ability to achieve targeted sales volume with improved margins primarily from the sales of goods on online marketplaces within the e-commerce retail and distribution segment in order to generate sufficient funds from operations to fund its liabilities and continuing operational costs.

In the preparation of the financial statements, the directors believe that the use of going concern assumption is appropriate as the Group will be able to continue to rely on certain major suppliers' extended credit terms of up to ten months and hence would have sufficient cash from the drawdown of the credit lines available, cash generated from operations and other potential fund raising actions to fund the continuing operations and to repay its debts as and when they fall due within the next twelve months after the reporting date.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

(b) Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities' operate and the entities' process of determining sales prices.

(c) Investment in subsidiary

Management has assessed and concluded that the Group has control over Toyrrential Pte. Ltd. although the Group owns 50.01% of the voting rights of the investee. This is because the Group has held significantly more voting rights of the investee than any other vote holders and majority representation on the board of directors of the investee and participation in policy-making processes. Accordingly, the Group has accounted for this investment as its subsidiary and consolidated the subsidiary's financial statements into the Group.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Write-down of inventories

The Group's inventories consist of books which are carried at the lower of cost and net realisable value. Inventories are written down below cost to net realisable value if they are slow-moving or if their selling prices have declined. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Management identifies slow-moving inventories on a title-by-title basis by considering sales volume during the year, projected demand and publisher of the book title. Management estimates the net realisable value for inventories by taking into consideration recent sale price, average selling price for the year, publisher of the book title and current market conditions. Write-down of inventories to their net realisable values charged to the Group's profit or loss for the current financial year amounted to US\$47,244 (2020: US\$112,658).

The carrying amounts of the Group's inventories at the end of the reporting period and the amount of inventories written down for the financial year are disclosed in Note 16.

(ii) Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes, including transfer pricing. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of tax payable and deferred tax liabilities are presented on the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

(iii) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill, and the carrying amount of the goodwill are disclosed in Note 13(a). The carrying amounts of property, plant and equipment, right-of-use assets and investment property are disclosed in Notes 11, 12 and 14.

4 Revenue

	Group	
	2021	2020
	US\$	US\$
Sales of goods	29,803,261	34,460,123
Logistics and freight forwarding services	5,573	2,273
Waste management services	692,484	419,934
Training services	18,902	136,536
	30,520,220	35,018,866
Timing of revenue recognition		
At a point of time	30,501,318	34,882,330
Over time	18,902	136,536
	30,520,220	35,018,866

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5 Other income

	Group	
	2021	2020
	US\$	US\$
Gain on disposal of property, plant and equipment	37	18,054
Government grants income	341,618	652,875
Rental income	22,387	21,473
Resale of goods collected	114	9,304
Others	63,056	59,603
	427,212	761,309

Government grant income of US\$55,339 (2020: US\$288,598) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees. The JSS is a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to 2021 by the Government.

6 Finance costs

	Group	
	2021	2020
	US\$	US\$
Interest expense:		
- Bank overdraft	1,181	6,782
- Commercial property loan	30,971	22,930
- Lease liabilities	4,845	4,887
- Secured loan	-	22,872
	36,997	57,471

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7 (Loss)/profit before tax

This is arrived at after charging/(crediting):

	Group	
	2021	2020
	US\$	US\$
Amortisation of intangible assets (Note 13(b))	6,567	132,316
Audit fee payable/paid to		
- Auditor of the Company	95,434	83,655
- Other auditors*	4,646	7,473
Bad debts written off (trade)	95	37,711
Depreciation of investment property (Note 14)	27,554	29,746
Depreciation of property, plant and equipment (Note 11)	29,799	50,311
Depreciation of right-of-use assets (Note 12)	168,767	176,968
Directors' fee	77,777	69,120
Fees for non-audit services		
- Auditor of the Company	7,439	7,473
Foreign exchange losses, net	179,838	75,676
Intangible assets written off	-	68,701
Personnel expenses (Note 8)	2,541,675	2,151,680
Rental expense (Note 12)	8,816	5,246
Right-of-use assets written off	-	188
Reversal of impairment loss on investment property (Note 14)	(126,649)	-
Write-down of inventories	47,244	112,658

* Include independent member firms of the Baker Tilly International network.

8 Personnel expenses

Staff costs:

	Group	
	2021	2020
	US\$	US\$
- Salaries, bonus and other benefits	2,102,884	1,972,477
- Defined contribution plans	168,680	179,203
- Share-based compensation	270,111	-
	2,541,675	2,151,680

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 Tax (credit)/expense

Group	
2021	2020
US\$	US\$

Tax expense attributable to (loss)/profit is made up of:

Current income tax	–	74,020
(Over)/under provision of income tax in respect of previous financial year	(23,729)	15,781
	(23,729)	89,801

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to (loss)/profit in the countries where the Group operates due to the following factors:

Group	
2021	2020
US\$	US\$

(Loss)/profit before tax	(1,528,019)	849,524
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Tax at the domestic rates applicable to (loss)/profit in the countries where the Group operates	(254,753)	715,421
Expenses not deductible for tax purposes	29,204	20,451
Income not subject to tax	(31,472)	(20,135)
Singapore statutory stepped income exemption	–	(25,230)
(Over)/under provision of income tax in prior years	(23,729)	15,781
Temporary differences not recognised	257,000	79,240
Utilisation of previously unrecognised temporary differences	–	(670,973)
Others	21	(24,754)
	(23,729)	89,801

The income tax rate applicable to companies incorporated in Singapore and foreign subsidiaries of the Group are 17% (2020: 17%) and tax-free to 25% (2020: tax-free to 25%) respectively for the financial year ended 31 December 2021.

At the end of the reporting period, the Group has unutilised tax losses of US\$4,060,000 (2020: US\$2,582,000) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates. Included in unutilised tax losses are US\$381,000 (2020: US\$373,000) that are available for carry forward up to five years from the year of loss against future taxable profit of the People's Republic of China ("PRC") subsidiaries.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 Tax (credit)/expense (cont'd)

The potential deferred tax assets on the following deductible temporary differences have not been recognised in the financial statements at the end of the reporting period:

	Group	
	2021 US\$	2020 US\$
Unutilised tax losses	4,060,000	2,582,000
Accelerated tax depreciation	7,000	–
Carrying amount of qualifying property, plant and equipment	–	(25,000)
Others	12,000	12,000
	4,079,000	2,569,000

The potential deferred tax assets have not been recognised in the financial statements as it is not probable that the future profit in these companies will be available and sufficient to allow the related tax benefits to be realised in the foreseeable future.

10 (Loss)/earnings per share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Group	
	2021 US\$	2020 US\$
(Loss)/profit for the year attributable to equity holders of the Company (US\$)	(1,565,923)	739,289
Weighted average number of ordinary shares	245,089,463	229,791,148
(Loss)/earnings per shares (cents per share)		
- Basic and diluted	(0.6)	0.3

Diluted earnings per share is same as basic earnings per share as there were no potential dilutive ordinary shares for the financial years ended 31 December 2021 and 31 December 2020.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11 Property, plant and equipment

	Vehicles	Renovation	Furniture and fittings	Office equipment	Total
	US\$	US\$	US\$	US\$	US\$
Group					
2021					
Cost					
At 1.1.2021	165,171	27,236	17,764	140,240	350,411
Additions	–	10,594	–	14,450	25,044
Government grant	–	–	–	(1,442)	(1,442)
Disposal	–	–	–	(1,252)	(1,252)
Write off	–	(18,974)	–	–	(18,974)
Translation	(722)	(109)	–	(302)	(1,133)
At 31.12.2021	164,449	18,747	17,764	151,694	352,654
Accumulated depreciation					
At 1.1.2021	143,942	21,472	17,302	133,785	316,501
Depreciation charge	13,004	6,470	462	9,863	29,799
Disposal	–	–	–	(1,252)	(1,252)
Write off	–	(18,974)	–	–	(18,974)
Translation	(580)	(82)	–	(265)	(927)
At 31.12.2021	156,366	8,886	17,764	142,131	325,147
Net carrying value					
At 31.12.2021	8,083	9,861	–	9,563	27,507

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11 Property, plant and equipment (cont'd)

	Vehicles US\$	Renovation US\$	Furniture and fittings US\$	Office equipment US\$	Total US\$
Group					
2020					
Cost					
At 1.1.2020	166,564	92,325	17,764	133,308	409,961
Additions	–	–	–	10,485	10,485
Disposal	(1,707)	–	–	(3,817)	(5,524)
Write off	–	(65,129)	–	–	(65,129)
Translation	314	40	–	264	618
At 31.12.2020	165,171	27,236	17,764	140,240	350,411
Accumulated depreciation					
At 1.1.2020	132,441	56,041	14,854	132,681	336,017
Depreciation charge	12,670	30,520	2,448	4,673	50,311
Disposal	(1,708)	–	–	(3,768)	(5,476)
Write off	–	(65,129)	–	–	(65,129)
Translation	539	40	–	199	778
At 31.12.2020	143,942	21,472	17,302	133,785	316,501
Net carrying value					
At 31.12.2020	21,229	5,764	462	6,455	33,910

Office equipment	
2021	2020
US\$	US\$

Company

Cost

As 1 January	6,725	–
Addition	–	6,725
Government grant	(1,442)	–
At 31 December	5,283	6,725

Accumulated depreciation

At 1 December	2,201	–
Depreciation charge	2,097	2,201
At 31 December	4,298	2,201

Net carrying amount

At 31 December	985	4,524
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NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Right-of-use assets

	Offices and warehouse units	
	2021	2020
	US\$	US\$
Group		
Cost		
At 1 January	532,737	505,270
Additions	156,759	–
Lease modification	–	110,094
Write-off	(314,540)	(86,561)
Translation	(2,167)	3,934
At 31 December	372,789	532,737
Accumulated depreciation		
At 1 January	334,532	241,937
Depreciation charge	168,767	176,968
Write-off	(314,540)	(86,373)
Translation	(1,439)	2,000
At 31 December	187,320	334,532
Net carrying value		
At 31 December	185,469	198,205

The Group as a lessee

The Group's leases various offices and warehouse units from non-related parties. The leases have an average tenure of between 2 to 3 (2020: between 1 to 2) years. In addition, the Group leases certain office equipment with contractual terms of 12 months (2020: 21 months). These leases are short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 25(b). Information about leases for which the Group is a lessee is presented below:

Amounts recognised in profit or loss

	2021	2020
	US\$	US\$
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense - short term leases (Note 7)	8,816	5,246
Interest expense on lease liabilities	4,845	4,887

During the financial year, total cash flow for leases amounted to US\$178,814 (2020: US\$243,387).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Right-of-use assets (cont'd)

The Group as lessor

The Group leased out its investment property to a third party for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment property is disclosed in Note 14.

Maturity analysis of lease payments - the Group as a lessor

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2021 US\$	2020 US\$
Less than one year	23,973	7,087
1 to 2 years	7,991	-
Total undiscounted lease payments	31,964	7,087

13 Intangible assets

	Group		Company	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Goodwill arising on business combination (a)	157,004	-	-	-
Other intangible assets (b)	12,296	18,863	12,296	18,863
	169,300	18,863	12,296	18,863

(a) Goodwill arising on business combination

	Group	
	2021 US\$	2020 US\$
Cost		
At 1 January	-	-
Acquisition of subsidiary (Note 15(b))	157,004	-
Net carrying amount	157,004	-

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13 Intangible assets (cont'd)

- (a) Goodwill arising on business combination (cont'd)

Impairment test for goodwill

Goodwill acquired through business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill is allocated to the CGU as follows:

	Group	
	2021	2020
	US\$	US\$
Toyrrential Pte. Ltd.	157,004	–

Key assumptions used in value-in-use calculation

The recoverable amount of the CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rate, revenue growth rates and gross margins during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The revenue growth rates and gross margins are estimated based on expected trends and developments in the market including consideration of the current business condition.

The Group's value-in-use calculation was computed based on the cash flow forecasts derived from the most recent financial budgets approved by management covering a five years period.

The 2022 to 2026 compound annual growth rate for revenue is 28.5%. Gross margins are estimated at 60%. The pre-tax rate used to discount the forecast cash flows is 15%.

Sensitivity to changes in assumptions

These key inputs and assumptions were estimated by management based on prevailing market, economic and other conditions at the end of the reporting period, and based on management's estimations of the expected orders.

With regards to the assessment of value in use for Toyrrential Pte Ltd, if the estimated revenue growth rate in years 2022 to 2026 used in the value in use calculation had been 3.1 percentage points lower than management's estimates, the recoverable amount would have been equal to its carrying amount.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13 Intangible assets (cont'd)

(b) Other intangible assets

Group		Company	
2021	2020	2021	2020
US\$	US\$	US\$	US\$

Computer software development costs

Cost

At 1 January	53,623	520,152	19,702	–
Additions	–	37,486	–	19,702
Write-off	–	(504,106)	–	–
Translation	–	91	–	–
At 31 December	53,623	53,623	19,702	19,702

Accumulated amortisation and impairment

At 1 January	34,760	337,806	839	–
Amortisation charge	6,567	132,316	6,567	839
Write-off	–	(435,405)	–	–
Translation	–	43	–	–
At 31 December	41,327	34,760	7,406	839

Net carrying amount

At 31 December	12,296	18,863	12,296	18,863
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NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investment property

	Freehold property US\$	Renovation US\$	Total US\$
Group			
2021			
Cost			
At 1.1.2021 and 31.12.2021	1,523,832	97,139	1,620,971
Accumulated depreciation and impairment loss			
At 1.1.2021	336,715	97,139	433,854
Depreciation charge	27,554	–	27,554
Reversal of impairment loss	(126,649)	–	(126,649)
At 31.12.2021	237,620	97,139	334,759
Net carrying amount			
At 31.12.2021	1,286,212	–	1,286,212
2020			
Cost			
At 1.1.2020 and 31.12.2020	1,523,832	97,139	1,620,971
Accumulated depreciation and impairment loss			
At 1.1.2020	306,969	97,139	404,108
Depreciation charge	29,746	–	29,746
At 31.12.2020	336,715	97,139	433,854
Net carrying amount			
At 31.12.2020	1,187,117	–	1,187,117

The investment property is mortgaged to secure the Group's commercial property loan (Note 19).

Details of investment property are as follows:

Description	Location	Floor area (Sqm)	Significant unobservable input ⁽¹⁾	Tenure of Lease (Use)
Office unit	46 East Coast Road #09-06 Eastgate Singapore 428766	108	Price per square meter	Freehold

(1) Any significant increases (decreases) in the significant unobservable input would result in a significantly higher (lower) fair value measurement.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investment property (cont'd)

Basis of determination of fair value of investment property for disclosure purpose

The fair value of the investment property located at Eastgate at the end of the reporting period of US\$1,442,000 is determined based on the valuation performed by a professional valuer having appropriate professional qualifications and experience in the location and category of property being value on 31 December 2021 using a direct comparison with sales of similar properties in the same development or in the vicinity. The valuer has taken into consideration the prevailing market conditions and have made due adjustments for differences between the property and the comparables in terms of location, tenure, size, floor level, age, condition and dates of transaction and other factors affecting its value. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

In 2020, based on the estimation of the investment property's highest-and-best-use fair value by the directors, the estimated fair value of the investment property at the end of the previous reporting period was US\$1,206,000. The fair value was determined by directors based on the direct comparison with recent transactions of comparable properties within the vicinity after considering differences in tenure, size, age and condition of the properties. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

The following amount are recognised in profit or loss:

	Group	
	2021	2020
	US\$	US\$
Rental income	22,387	21,473
Direct operating expenses arising on the investment property, including depreciation charge for the year	38,767	35,473

15 Investment in subsidiaries

	Company	
	2021	2020
	US\$	US\$
Unquoted shares, at cost		
At 1 January	2,565,572	2,567,032
Acquisition during the year	184,698	–
Liquidation of subsidiary	–	(1,460)
	2,750,270	2,565,572
Less: Allowance for impairment in value	(222,261)	(222,261)
	2,528,009	2,343,311

Movement in allowance for impairment in value are as follows:

At 1 January and 31 December	222,261	222,261
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NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 Investment in subsidiaries (cont'd)

(a) Details of the subsidiaries are:

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2021 %	2020 %
<i>Held by the Company</i>				
LYJ International Pte. Ltd. ⁽¹⁾	Singapore	Procuring and holding of inventory before shipment to destination countries	100	100
Y Ventures Inc ⁽³⁾	United States of America	Retail channel for US online marketplaces for books	100	100
JustNile Pte. Ltd. ⁽¹⁾	Singapore	Dormant	100	100
JustNile Holdings ⁽³⁾	Cayman Islands	Investment holding	60	60
Jaykin Distribution (India) Private Limited ⁽⁴⁾	India	Dormant	51	51
Y Ventures Lab Pte. Ltd. ⁽¹⁾	Singapore	Provision of e-commerce solutions and training to customers	100	100
Toyrrential Pte. Ltd. ⁽¹⁾	Singapore	Product development of collectible toys	50	–
<i>Subsidiaries held by LYJ International Pte. Ltd.</i>				
JustNile (SEA) Pte. Ltd. ⁽¹⁾	Singapore	Procuring and holding of inventory before shipment to destination countries	100	100
Skap Logistics Pte. Ltd. ⁽¹⁾	Singapore	Order fulfilment, logistics and freight forwarding	100	100
<i>Subsidiary held by Skap Logistics Pte. Ltd.</i>				
Skap Waste Management Pte. Ltd. ⁽¹⁾	Singapore	Waste management services	100	100
<i>Subsidiary held by Y Ventures Lab Pte. Ltd.</i>				
Shenzhen Evermint Technology Company Limited ⁽²⁾	PRC	Dormant	100	100
<i>Subsidiary held by Toyrrential Pte. Ltd.</i>				
Century Fugu Pte. Ltd. ⁽¹⁾	Singapore	Manufacturing and distributing collectible designer soft vinyl toys	100	–

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 Investment in subsidiaries (cont'd)

(a) Details of the subsidiaries are (cont'd):

- (1) Audited by Baker Tilly TFW LLP.
- (2) Audited by independent overseas member firms of Baker Tilly International.
- (3) Not required to be audited for the financial year ended 31 December 2021 by law of incorporation, and audited by Baker Tilly TFW LLP for the purpose of preparation of the consolidated financial statements.
- (4) Audited by Esha Jain & Associates.

At the end of reporting period, there are no subsidiaries with non-controlling interests that are considered by management to be material to the Group. Accordingly, the summarised financial information of the subsidiaries is not disclosed.

(b) Acquisition of subsidiary

On 12 August 2021, the Company entered into a binding term sheet with Toyrrential Pte. Ltd. ("Toyrrential") to subscribe for 50.00% of the newly issued share capital and to acquire 0.01% of the issued share capital in Toyrrential for total cash consideration of US\$184,698. The acquisition is expected to increase the Group's online revenue stream and to tap into the growing global collectible designer toy market. The goodwill of US\$157,004 is attributable to significant synergies expected to arise to the Group after the acquisition.

Assets and liabilities recognised as a result of the acquisition

	Group US\$
Cash and cash equivalents	190,389
Receivables	3,224
Payables	(138,236)
Total identified net assets	55,377
Less: Non-controlling interest	(27,683)
Net identified assets acquisition	27,694
Add: Goodwill (Note 13 (a))	157,004
Total consideration transferred	<u>184,698</u>

Effect of the acquisition of the subsidiary on cash flows

	Group US\$
Total cash consideration for equity interest acquired	184,698
Less: Cash and cash equivalents in subsidiary acquired	(190,389)
Net cash inflows on arising from acquisition of a subsidiary	<u>(5,691)</u>

The acquired subsidiary contributed net loss of US\$49,569 to the Group for the period from 13 August 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, the Group revenue would have been US\$30,520,220 and loss for the year would have been US\$1,556,515. The transaction cost related to the acquisition of US\$4,462 have been included in "administrative expenses" in the Group's profit or loss for the current financial year.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 Investment in subsidiaries (cont'd)

- (b) Acquisition of subsidiary (cont'd)

Contingent consideration arrangement

Pursuant to the binding term sheet, Toyrrential and one of its shareholders, Evolve Capital Management Private Limited ("ECM"), will use their best efforts to ensure that Toyrrential procures purchase orders (the "Projected Purchase Orders") of at least:

- (a) S\$3,000,000 for the first 12 months after the date of the term sheet; and
 (b) S\$6,000,000 for the second 12 months after the date of the term sheet.

In the event of shortfall in the Projected Purchase Orders by the end of the second year after the date of the term sheet, ECM agrees to transfer up to 35% of its shares in Toyrrential to the Company at a nominal value. Toyrrential, the Company and ECM may mutually agree to a 12 months extension of the respective time period to procure the fulfilment of the Projected Purchase Orders. Management has assessed the fair value of the contingent consideration as at date of acquisition and year end and is of the view that its impact is not going to be material.

- (c) Deregistration/liquidation of subsidiaries

JustNile Inc, subsidiary of JustNile Holdings was deregistered and struck off on 15 November 2021.

JustNile Distribution Ltd. and JustNile International Corp, subsidiaries of JustNile Holdings have been dissolved by the way of voluntary liquidation on 21 January 2021 and 23 February 2021 respectively.

16 Inventories

	Group	
	2021	2020
	US\$	US\$
Finished goods	9,471,791	22,115,681

Inventories recognised as an expense in cost of sales for the financial year ended 31 December 2021 amounted to US\$18,477,632 (2020: US\$20,428,214).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17 Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Trade receivables				
- third parties	273,582	406,207	-	-
- subsidiary	-	-	52,742	675,338
	273,582	406,207	52,742	675,338
Advance to suppliers	245,144	2,567	-	-
Deposits	41,969	42,709	-	-
Due from subsidiaries	-	-	1,571,940	2,046,320
GST receivables	45,499	43,479	-	-
Other receivables	535,677	7,546	-	-
Prepayments	35,138	25,349	30,134	20,109
	903,427	121,650	1,602,074	2,066,429
Less: Allowance for impairment	-	-	(886,930)	(640,000)
	903,427	121,650	715,144	1,426,429
	1,177,009	527,857	767,886	2,101,767

Movement in allowance for impairment of other receivables is as follows:

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
At 1 January	-	22,309	640,000	2,110,339
Allowance made	-	-	261,930	15,000
Allowance written off	-	-	-	(14,066)
Allowance written back	-	(22,309)	(15,000)	(22,309)
Waiver of debts - subsidiaries	-	-	-	(1,448,964)
At 31 December	-	-	886,930	640,000

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. In 2020, an amount of US\$1,040,108 due from subsidiaries which bore interest at 12% per annum has been fully settled in 2021.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18 Contract assets and contract liabilities

The Group receives payments from customers based on a billing schedule as established in contracts. Contract assets relates to the Group's rights to consideration for training services performed but not billed at the reporting date. Contract liabilities relate to advance payment received from customers for future deliveries of inventory. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2021	2020	1.1.2020
	US\$	US\$	US\$
Group			
Trade receivables from contracts with customers	273,582	406,207	169,481
Contract assets	–	85,232	–
Contract liabilities	18,505	142	3,321

Contract assets balance decreased as the Group provided more training services ahead of the agreed payment schedules in previous year.

19 Borrowings

	Group	
	2021	2020
	US\$	US\$
<i>Non-current</i>		
Commercial property loan, secured	811,743	843,330
Lease liabilities	75,943	48,086
	887,686	891,416
<i>Current</i>		
Commercial property loan, secured	27,146	34,748
Bank overdraft, secured	–	738,016
Lease liabilities	113,201	150,185
	140,347	922,949
	1,028,033	1,814,365

Commercial property loan is repayable over 300 monthly instalments from March 2014 and bears a floating interest rate at the Banker's Commercial Financing Rate of 6.25% (2020: 2.87% below the Banker's Commercial Financing Rate) per annum.

Bank overdraft is repayable on demand and bears a floating rate of 0.75% (2020: 0.75%) per annum over the Singapore's bank prime lending rate.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19 Borrowings (cont'd)

Commercial property loan and bank overdraft are secured by the following:

- (i) A first legal mortgage over the Group's freehold property (Note 14); and
- (ii) Corporate guarantee for S\$2,600,000 (2020: S\$2,600,000) executed by the Company.

The Group's non-current borrowing is a floating rate instrument that is repriced to market interest rate on or near the end of the reporting period. Accordingly, the fair value of this floating rate non-current borrowing approximates its carrying amount at the end of the reporting period. This fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Commercial property loan US\$	Secured loan US\$	Lease liabilities US\$	Total US\$
Group				
Balance at 1 January 2020	915,888	1,000,000	319,503	2,235,391
Changes from financing cash flows:				
- Repayments	(36,607)	(1,000,000)	(233,254)	(1,269,861)
- Interest paid	(22,930)	(22,872)	(4,887)	(50,689)
Non-cash changes:				
- Interest expense	22,930	22,872	4,887	50,689
- Modification of lease liability	-	-	110,094	110,094
Effect of changes in foreign exchange rates	(1,203)	-	1,928	725
Balance at 31 December 2020	878,078	-	198,271	1,076,349
Changes from financing cash flows:				
- Repayments	(34,457)	-	(165,153)	(199,610)
- Interest paid	(30,971)	-	(4,845)	(35,816)
Non-cash changes:				
- Interest expense	30,971	-	4,845	35,816
- Addition	-	-	156,759	156,759
Effect of changes in foreign exchange rates	(4,732)	-	(733)	(5,465)
Balance at 31 December 2021	838,889	-	189,144	1,028,033

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20 Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Trade payables (third parties)	8,535,119	18,975,011	76,484	–
Accrued operating expenses	554,496	439,750	386,776	398,000
Other payables	79,940	15,403	–	226,002
GST payables	25,086	23,172	25,086	23,173
Deferred government grants	11,424	44,951	11,424	44,951
Due to subsidiaries	–	–	96,991	150,570
	9,206,065	19,498,287	596,761	842,696

Amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

21 Share capital

	Group and Company			
	2021		2020	
	No. of shares	US\$	No. of shares	US\$
At 1 January	241,660,000	10,934,053	229,660,000	10,306,302
Issue of ordinary shares	5,194,000	270,111	12,000,000	627,751
At 31 December	246,854,000	11,204,164	241,660,000	10,934,053

On 5 May 2021, the Company issued 5,194,000 ordinary shares of S\$0.07 (equivalent to US\$0.0520) per share to selected employees of the Company under the Y Ventures Performance Share Plan.

On 28 December 2020, the Company issued 12,000,000 ordinary shares of S\$0.07 (equivalent to US\$0.0523) per share for cash to provide fund for the expansion of the Group's operations.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares, which have no par value, carry one vote per share without restrictions.

The new issued shares rank pari passu in all respect with the previously issued shares.

22 Merger reserve

Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Related parties transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group with related parties, who are not members of the Group during the year on terms agreed by the parties concerned:

	2021 US\$	2020 US\$
With related party		
Training service	-	136,536

A related party refers to a company which is controlled by key management personnel of the Company.

Key management personnel compensation:

	Group	
	2021 US\$	2020 US\$
Directors' remuneration		
- Salaries	541,574	514,645
- Defined contribution plans	38,699	39,056
	580,273	553,701
Key management personnel's remuneration (non-directors)		
- Salaries	166,638	208,485
- Defined contribution plans	12,900	25,844
	179,538	234,329
	759,811	788,030

24 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Financial guarantee

- (a) The Company has provided a corporate guarantee of S\$2,600,000 (approximately US\$1,923,746) (2020: S\$2,600,000, approximately US\$1,943,039) to a bank for bank borrowings of US\$838,889 (2020: US\$878,078) drawn down by that subsidiary at the end of the reporting period.

This guarantee is subject to the impairment requirements of SFRS(I) 9. The Company has assessed that no significant credit losses will arise from this financial guarantee as the borrowings drawdown under this facility is fully secured by the Group's freehold property.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

24 Contingent liabilities (cont'd)

Financial guarantee (cont'd)

- (b) In 2020, the Company has provided corporate guarantee of US\$200,000 for purchase obligation to a major supplier for extended credit period granted in relation to outstanding purchases of US\$294,136 by a subsidiary at the end of the reporting period.

This guarantee is subject to the impairment requirements of SFRS(I) 9. The Company has assessed that no significant credit losses will arise from this guarantee as the subsidiary has no historical default in payments to the supplier and no past due debts to the suppliers as at end of the reporting period.

25 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at reporting date are as follows:

Group		Company	
2021	2020	2021	2020
US\$	US\$	US\$	US\$

Financial assets

Financial assets at amortised cost

2,388,986	2,523,380	1,524,732	2,632,505
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Financial liabilities

Financial liabilities at amortised cost

10,114,925	21,179,744	504,291	709,787
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b) Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Foreign currency risk

The Group has exposures arising from transactions, assets and liabilities that are denominated in currencies other than their respective functional currencies of entities in the Group. The currency giving rise to this risk is primarily the Singapore Dollar ("SGD").

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at a level that is deemed acceptable by management.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

The Group's foreign currency exposure to SGD based on the information provided to key management is as follows:

	Group US\$	Company US\$
2021		
<i>Financial assets</i>		
Trade and other receivables	120,092	54,188
Cash and bank balances	322,100	157,978
	<u>442,192</u>	<u>212,166</u>
<i>Financial liabilities</i>		
Trade and other payables	1,703,253	488,346
Borrowings	980,424	–
	<u>2,683,677</u>	<u>488,346</u>
SGD currency exposure on net financial liabilities	<u>(2,241,485)</u>	<u>(276,180)</u>
2020		
<i>Financial assets</i>		
Trade and other receivables	220,784	169
Cash and bank balances	846,893	489,282
	<u>1,067,677</u>	<u>489,451</u>
<i>Financial liabilities</i>		
Trade and other payables	2,730,202	709,665
Borrowings	1,814,365	–
	<u>4,544,567</u>	<u>709,665</u>
SGD currency exposure on net financial liabilities	<u>(3,476,890)</u>	<u>(220,214)</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

The Group's foreign currency exposure to SGD based on the information provided to key management is as follows: (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the SGD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's loss after tax:

Group		Company	
Increase/ (decrease) in loss after tax	(Decrease)/ increase in profit after tax	Increase/ (decrease) in loss after tax	Increase/ (decrease) in loss after tax
2021	2020	2021	2020
US\$	US\$	US\$	US\$

SGD/USD

- Strengthened 10%	186,044	(288,582)	22,923	18,278
- Weakened 10%	(186,044)	288,582	(22,923)	(18,278)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their bank borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates).

The Group's income and operating cash flows are substantially independent of changes in market interest rates as interest expense on borrowings is not significant to the Group's profit or loss.

Sensitivity analysis for interest rate risk is not disclosed as the effect on the profit or loss is considered not significant.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Maximum exposure and concentration of credit risk

At the end of the reporting period, the Group's trade receivables comprise 1 debtor (2020: 1 debtor) that represented approximately 97% (2020: 86%) of the trade receivables.

The Company has significant concentration of credit risk exposure arising on amounts due from subsidiaries (Note 17). Non-trade balances due from subsidiaries are repayable on demand. The Company has made impairment allowance for expected credit losses of US\$886,930 (2020: US\$640,000) based on estimation of recoverable amounts from management's review of current status of the existing receivables and the financial conditions of the subsidiaries as at the end of the reporting period.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the corporate guarantees given by the Company to bank and suppliers for the subsidiaries' bank borrowings and extended credit period disclosed in Note 24.

The expected credit loss for cash and cash equivalents and other receivables of the Group and the Company are immaterial as at 31 December 2021 and 31 December 2020.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the information (developed internally or obtained from external sources) that the debtor is unlikely to pay its creditors, including the Group, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet these criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Trade receivables and contract assets

The Group has applied the simplified approach in SFRS(I) 9 *Financial Instruments* to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

The contract assets related to unbilled work-in-progress, which have substantially the same risk characterises as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables, are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characterises and days past due are grouped under together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and estimates of future economic conditions with consideration of the impact of COVID-19 pandemic on the ability of the customers to settled the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

The Group has recognised a loss allowance of 100% against all trade receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable. There are no significant credit loss for trade receivables less than 90 days as historical evidence indicates that these customers will repay their debts. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

Credit risk exposure in relation to trade receivables under SFRS(I) 9 *Financial Instruments* as at 31 December 2021 is not material, and accordingly no allowance for impairment is recognised as at 31 December 2021.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Financial assets at amortised cost

The table below details the credit quality of the Group's financial assets and contract assets:

		Gross carrying amount	Loss allowance	Net carrying amount
	12-month or lifetime ECL	US\$	US\$	US\$
2021				
Trade receivables	Lifetime	273,582	–	273,582
Other receivables	12-month ECL	577,646	–	577,646
Cash and bank balances with financial institutions	N.A. Exposure Limited	1,537,758	–	1,537,758
2020				
Trade receivables	Lifetime	406,207	–	406,207
Contract assets	Lifetime	85,232	–	85,232
Other receivables	12-month ECL	50,255	–	50,255
Cash and bank balances with financial institutions	N.A. Exposure Limited	2,066,918	–	2,066,918

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Financial assets at amortised cost (cont'd)

The table below details the credit quality of the Company's financial assets:

		12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
2021					
Due from a subsidiary (trade)	Lifetime		52,742	–	52,742
Due from subsidiaries (non-trade)	12-month (Exposure Limited)		700,000	–	700,000
	Lifetime		871,940	(886,930)	(14,990)
Cash and bank balances with financial institutions	N.A. Exposure Limited		786,980	–	786,980
2020					
Due from a subsidiary (trade)	Lifetime		675,338	–	675,338
Due from subsidiaries (non-trade)	12-month (Exposure Limited)		1,307,354	–	1,307,354
	Lifetime		738,966	(640,000)	98,966
Cash and bank balances with financial institutions	N.A. Exposure Limited		550,847	–	550,847

Management expects that the expected credit loss for debts past due 31 to 90 days is not significant based on historical experience of past due debts and all debts with consideration of impairment was fully impaired as at 31 December 2021 and 31 December 2020.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Movements in credit loss allowance

There are no movement in the allowance for impairment of financial assets under SFRS(I) 9 *Financial Instruments* during the financial year for the Group and the Company except for the following:

	Other receivables US\$
Group	
Balance at 1 January 2020	22,309
Allowance written back	(22,309)
Balance at 31 December 2020 and 31 December 2021	<u>–</u>

	Amount due from subsidiaries US\$	Other receivables US\$	Total US\$
Company			
Balance at 1 January 2020	2,088,030	22,309	2,110,339
Loss allowance measured			
Lifetime ECL			
- Credit-impaired	15,000	–	15,000
Allowance written back	–	(22,309)	(22,309)
Waiver of debts to wholly-owned subsidiaries	(1,448,964)	–	(1,448,964)
Receivable written off as uncollectable	(14,066)	–	(14,066)
Balance at 31 December 2020	640,000	–	640,000
Loss allowance measured			
Lifetime ECL			
- Credit-impaired	261,930	–	261,930
Allowance written back	(15,000)	–	(15,000)
Balance at 31 December 2021	886,930	–	886,930

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Repayable on demand or within 1 year US\$	Within 2 to 5 years US\$	Over 5 years US\$	Total US\$
Group				
At 31 December 2021				
Trade and other payables	9,086,892	–	–	9,086,892
Borrowings	79,798	319,194	971,274	1,370,266
Lease liabilities	118,027	78,874	–	196,901
	9,284,717	398,068	971,274	10,654,059
At 31 December 2020				
Trade and other payables	19,365,379	–	–	19,365,379
Borrowings	798,297	241,125	852,159	1,891,581
Lease liabilities	156,104	48,723	–	204,827
	20,319,780	289,848	852,159	21,461,787
Company				
At 31 December 2021				
Trade and other payables	504,291	–	–	504,291
At 31 December 2020				
Trade and other payables	709,787	–	–	709,787

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	Company	
	One year or less	
	2021	2020
	US\$	US\$
Financial guarantee contracts	838,889	1,078,078

26 Fair values of assets and liabilities

a) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

- a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Assets not carried at fair value but for which fair value disclosed

The fair value of the freehold property/investment property is categorised within Level 3. The basis of determining fair value for disclosure at the end of the reporting date is disclosed in Note 14.

c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities recorded in the financial statements approximate their fair values either due to their short-term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27 **Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group consists of equity attributable to owners of the Company comprising share capital, currency translation reserve, accumulated losses and borrowings. The Group's overall strategy remains unchanged for the financial years ended 31 December 2020 and 2021.

28 **Segment information**

The Group is organised into business units based on its business segments purposes. The reportable segments are e-commerce retail and distribution, logistics and freight forwarding services, and waste management services which are described below. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows:

	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$	2021 US\$	2020 US\$	2021 US\$	2020 US\$	2021 US\$	2020 US\$	2021 US\$	2020 US\$
Revenue:												
External customers	29,822,163	34,596,659	5,573	2,273	692,484	419,934	-	-	-	-	30,520,220	35,018,866
Intersegment sales	-	-	31,194	119,727	-	-	-	-	(31,194)	(119,727)	-	-
Total revenue	29,822,163	34,596,659	36,767	122,000	692,484	419,934	-	-	(31,194)	(119,727)	30,520,220	35,018,866
Segment (loss)/profit	(293,497)	1,357,660	(24,326)	291,782	(74,573)	(3,343)	(945,235)	(112,566)	-	-	(1,337,631)	1,495,822
Depreciation	(150,006)	(184,822)	(57,745)	(55,328)	(16,272)	(14,673)	(2,097)	(2,202)	-	-	(226,120)	(257,025)
Amortisation	(6,567)	(132,316)	-	-	-	-	-	-	-	-	(6,567)	(132,316)
Impairment losses/write offs	(47,339)	(219,258)	-	-	-	-	-	-	-	-	(47,339)	(219,258)
Reversal of impairment on investment property	126,649	-	-	-	-	-	-	-	-	-	126,649	-
Gain on disposal on property, plant and equipment	37	658	-	-	-	17,396	-	-	-	-	37	18,054
Interest income	44	1,718	-	-	-	-	-	-	-	-	44	1,718
Finance costs	(36,997)	(57,471)	-	-	-	-	-	-	-	-	(36,997)	(57,471)
(Loss)/profit before tax												
Income tax credit/(expense)											(1,528,019)	849,524
(Loss)/profit for the year											23,729	(89,801)
											<u>(1,504,290)</u>	<u>759,723</u>
Segment assets	12,516,354	25,109,197	289,285	351,445	113,528	178,798	935,879	594,343	-	-	13,855,046	26,233,783
Total assets											<u>13,855,046</u>	<u>26,233,783</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows (cont'd):

	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Liabilities												
Segment liabilities	9,626,357	20,441,711	64,418	147,184	62,058	31,773	499,770	692,126	-	-	10,252,603	21,312,794
Unallocated liabilities											223,721	317,888
Total liabilities											10,476,324	21,630,682
Additions to non-current assets	332,273	17,784	2,975	110,094	2,559	3,759	-	26,428	-	-	338,807	158,065

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28 **Segment information (cont'd)**

Inter-segment revenue are eliminated on consolidation.

Inter-segment assets and liabilities are eliminated to arrive at the total assets and liabilities reported in the consolidated statements of financial position.

Others segment included unallocated expenses from investment holding company.

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Income taxes are managed on a Group basis and are not allocated to operating segments. Sales between operating segments are on terms agreed by the Group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than tax recoverable which is classified as unallocated assets.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than deferred tax liabilities and tax payable. These liabilities are classified as unallocated liabilities.

Geographical information

Revenue from external customers for e-commerce retail and distribution segment are generated from online marketplaces. Geographical information for online marketplaces is not available, due to the nature of e-commerce, the end-consumers on the online marketplaces in United States of America ("USA") may not necessarily be residing in USA.

Revenue from external customers for logistics and freight forwarding services and waste management services segments are contributed by Singapore.

Property, plant and equipment, intangible assets and investment property are located in Singapore.

Information about major customers

The Group did not have any single customer contributing 10% or more to its revenue for the years ended 31 December 2021 and 31 December 2020.

29 **Authorisation of financial statements**

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors dated 1 April 2022.

SHAREHOLDINGS STATISTICS

As at 22 March 2022

Issued and Fully Paid-Up Capital	-	S\$15,604,072
Number of Shares	-	246,854,000
Class of Shares	-	Ordinary Shares
Treasury Shares	-	Nil
Number of Subsidiary Holdings Held	-	Nil
Voting Rights	-	1 vote for each ordinary share

% of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares in issue (excluding treasury shares and subsidiary holdings) – 0%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.27	100	0.00
100 - 1,000	29	3.89	18,600	0.01
1,001 - 10,000	126	16.89	851,400	0.34
10,001 - 1,000,000	570	76.41	67,011,400	27.15
1,000,001 AND ABOVE	19	2.54	178,972,500	72.50
TOTAL	746	100.00	246,854,000	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 22 March 2022, the percentage of shareholdings held in the hands of the public was approximately 43.40% and Rule 723 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

S/No	Name of Shareholder	Number of Shares	%
1	LOW YIK JIN	71,115,000	28.81
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	53,430,000	21.64
3	AMBER BLAZE LIMITED	12,500,000	5.06
4	DBS NOMINEES (PRIVATE) LIMITED	6,822,700	2.76
5	RAFFLES NOMINEES (PTE.) LIMITED	4,731,200	1.92
6	CHIEN CHUNG MING	4,678,600	1.90
7	IFAST FINANCIAL PTE. LTD.	3,278,200	1.33
8	ABN AMRO CLEARING BANK N.V.	3,172,600	1.29
9	LIM & TAN SECURITIES PTE LTD	3,090,000	1.25
10	SIM JOO GEK DOLLY (SHEN RUYU)	2,711,000	1.10
11	ASDEW ACQUISITIONS PTE LTD	2,150,000	0.87
12	WONG SWEE KWONG	2,031,700	0.82
13	OCBC SECURITIES PRIVATE LIMITED	1,890,400	0.77
14	PHILLIP SECURITIES PTE LTD	1,556,500	0.63
15	GOH SU TENG (WU SHUZHEN)	1,254,100	0.51
16	LEE CHIN HUAT	1,250,000	0.51
17	TOK BOON SEONG	1,200,000	0.49
18	LOW CHIN CHONG	1,104,200	0.45
19	SEEMA MOHANKA NIM	1,006,300	0.41
20	IKAWAN	1,000,000	0.41
	TOTAL	179,972,500	72.93

SHAREHOLDINGS STATISTICS

As at 22 March 2022

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Low Yik Sen ⁽¹⁾	-	-	53,365,000	21.62
Low Yik Jin ⁽²⁾	71,115,000	28.81	2,750,000	1.11
Amber Blaze Limited ⁽³⁾	12,500,000	5.06	48,000,000	19.44
Lew Chern Yong ⁽⁴⁾	-	-	60,500,000	24.50

Notes:

- (1) Mr Low Yik Sen is deemed to be interested in 53,365,000 ordinary shares held under custodian nominee account(s).
- (2) Mr Low Yik Jin is deemed to be interested in 2,750,000 ordinary shares held under custodian nominee account(s).
- (3) As announced by the Company on 10 July 2020, Mr Low Yik Sen and Amber Blaze Limited entered into a call option agreement (the "**Call Option Agreement**"), pursuant to which Mr Low Yik Sen has agreed to grant an option in favour of Amber Blaze Limited, to purchase an aggregate of up to 48,000,000 ordinary shares owned by Mr Low Yik Sen (the "**Call Option**") on the terms and conditions of the Call Option Agreement.

As at the date of this Annual Report, the Call Option has not been exercised by Amber Blaze Limited, in which Amber Blaze Limited has a deemed interest in 48,000,000 ordinary shares in the Company.

Accordingly, Amber Blaze Limited is deemed to be interested in the Call Option by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.

- (4) Mr Lew Chern Yong is the sole shareholder of Amber Blaze Limited, a company incorporated in the British Virgin Islands. Accordingly, Mr Lew Chern Yong is deemed to be interested in the ordinary shares held by Amber Blaze Limited and the Call Option (as defined above in Note 3) by virtue of Section 4 of the Securities Futures Act (Chapter 289) of Singapore.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Y Ventures Group Ltd. (the "**Company**") will be held by electronic means on Thursday, 28 April 2022 at 3.00 p.m. (the "**AGM**") to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr Low Yik Sen as a Director of the Company retiring pursuant to Regulation 117 of the Company's Constitution. **(Resolution 2)**
[See Explanatory Note (i)]
3. To re-elect Mr Ng Tiong Gee as a Director of the Company retiring pursuant to Regulation 117 of the Company's Constitution. **(Resolution 3)**
[See Explanatory Note (ii)]
4. To re-elect Mr Tan Chade Phang as a Director of the Company retiring pursuant to Regulation 122 of the Company's Constitution. **(Resolution 4)**
[See Explanatory Note (iii)]
5. To approve the payment of Directors' fees of S\$99,500 (FY2020: S\$95,000) for the financial year ended 31 December 2021. **(Resolution 5)**
6. To re-appoint Messrs Baker Tilly TFW LLP as the Independent Auditors of the Company and authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to allot and issue shares** **(Resolution 7)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the Directors be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to grant awards and to allot and issue shares under the Y Ventures Performance Share Plan (Resolution 8)**

That pursuant to Section 161 of the Companies Act, the Directors be authorised to grant awards in accordance with the provisions of the Y Ventures Performance Share Plan (“**Y Ventures PSP**”) and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the awards granted under the Y Ventures PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Y Ventures PSP when added to the number of Shares issued and issuable in respect of all awards granted under the Y Ventures PSP, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note (v)]

By Order of the Board

Wee Woon Hong
Company Secretary

Singapore,
13 April 2022

Explanatory Notes:

- (i) Mr Low Yik Sen will, upon re-election as a Director of the Company, remain as Managing Director of the Company. Detailed information required on Mr Low Yik Sen pursuant to Rule 720(5) of the Catalist Rules set out on pages 46 to 53 in the Company’s Annual Report 2021.
- (ii) Mr Ng Tiong Gee will, upon re-election as a Director of the Company, remain as Independent Director, member of Audit, Nominating and Remuneration Committees of the Company. He is considered independent by the Board of Directors for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Ng Tiong Gee pursuant to Rule 720(5) of the Catalist Rules set out on pages 46 to 53 in the Company’s Annual Report 2021.
- (iii) Mr Tan Chade Phang will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of Audit Committee, and member of the Nominating and Remuneration Committees. He is considered independent by the Board of Directors for the purpose of Rule 704(7) of the Catalist Rules. Detailed information required on Mr Tan Chade Phang pursuant to Rule 720(5) of the Catalist Rules set out on pages 46 to 53 in the Company’s Annual Report 2021.
- (iv) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of this AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or the date on which such authority is varied or revoked by the Company at a general meeting, whichever is the earlier, to issue new ordinary shares, make or grant Instruments convertible into new ordinary shares and to issue new ordinary shares pursuant to such Instruments, up to a number not exceeding, in total, 100.0% of the total number of issued ordinary shares, (excluding treasury shares and subsidiary holdings), of which up to 50.0% may be issued other than on a pro rata basis to shareholders of the Company.
- (v) Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to allot and issue Shares pursuant to the awards granted under the Y Ventures PSP up to a number not exceeding, in total, 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

To minimise physical interactions and COVID-19 transmission risks, the AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by shareholders and any shareholder seeking to attend the AGM physically in person will be turned away.

Printed copies of this Notice and the accompanying Annual Report 2021, Proxy form will NOT be sent to shareholders. Instead, these documents can be assessed at the Company's website at <https://yventures.com.sg> an SGX Website at <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to shareholders' participation in the AGM are:

- (a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);
- (b) submitting questions in advance in relation to the resolutions set out in the Notice of AGM; and;
- (c) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.

Shareholders will be able to participate in the AGM in the following manner set out in the paragraphs below.

Pre-registration:

1. The Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on Thursday, 28 April 2022 at 3.00 p.m. in place of the physical AGM. Shareholders will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. To do so, shareholders will need to pre-register at <https://online.meetings.vision/yventures-agm-registration> (the "**Registration Link**") by 3.00 p.m. on Monday, 25 April 2022 (the "**Registration Deadline**") to enable the Company to verify their status.
2. Following the verification and upon the closure of pre-registration, shareholders will receive email instructions to access the Live AGM Webcast or the Live AGM Audio Feed of the AGM proceedings by 3.00 p.m. on Wednesday, 27 April 2022.
3. Shareholders are reminded that the AGM proceedings are private. Accordingly, shareholders must not forward the abovementioned email instructions or phone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.
4. Shareholders who register by the Registration Deadline (being no later than 3.00 p.m. on Monday, 25 April 2022) but do not receive the abovementioned email instructions by 3.00 p.m. on Wednesday, 27 April 2022, should contact the Company by email to investor@yventures.com.sg for assistance, with the following details included:
 - (a) shareholders' full name;
 - (b) his/her/its identification/company registration number; and
 - (c) the manner in which the Shares are held (e.g. via CDP or SRS).
5. Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding SRS Investors) and who wish to participate in the AGM should contact their respective relevant intermediaries through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions in advance:

1. Please note that shareholders will not be able to raise questions during the Live AGM Webcast or the Live AGM Audio Feed. Shareholders may submit questions relating to the items on the resolutions set out in the Notice of AGM in advance:
 - (a) by post to the registered office of the Company at 6001 Beach Road, #09-01 Golden Mile Tower, Singapore 199589; or
 - (b) by email to investor@yventures.com.sg.

All questions must be submitted to the Company by 5.00 p.m. on 20 April 2022 (the "**Cut-off Time**").

2. Shareholders, including SRS Investors, who wish to submit their questions are required to indicate their full names (for individuals)/ company names (for corporates), NRIC/passport numbers/ company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions.
3. Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding SRS Investors) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.
4. The responses to questions from shareholders, if any, will be posted on the SGXNet and the Company's website soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of Proxy Forms. Any subsequent clarifications sought by the shareholders after the Cut-off Time will be addressed at the AGM.
5. The Company will publish the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of its AGM held.

Submission of Proxy Forms to Vote:

1. Shareholders will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Shareholders who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.
2. Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
3. The Chairman of the AGM, as proxy, need not be a shareholder of the Company.
4. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
5. The Proxy Form, duly completed and signed, together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted by:
 - (a) by post to the registered office of the Company at 6001 Beach Road, #09-01 Golden Mile Tower, Singapore 199589; or
 - (b) by email to investor@yventures.com.sg.

NOTICE OF ANNUAL GENERAL MEETING

in each case, by 3.00 pm. on Monday, 25 April 2022 (not less than 72 hours before the time appointed for holding the AGM). A shareholder who wishes to submit a Proxy Form must first download, complete with specific voting instructions and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares in order to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 3.00 p.m. on Tuesday, 19 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 3.00 p.m. on Monday, 25 April 2022.
7. The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).
8. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTES: Due to the evolving COVID-19 situation in Singapore, further measures and/or changes to the AGM arrangements may be made on short notice in the ensuing days, even up to the day of the AGM. Shareholders are advised to check regularly the Company's website at <https://yventures.com.sg> or SGX Website at <https://www.sgx.com/securities/company-announcements> for updates on the AGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to shareholders (or their corporate representatives in the case of shareholders which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The shareholder's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Y VENTURES GROUP LTD.
 (Company Registration No. 201300274R)
 (Incorporated in the Republic of Singapore)

**PROXY FORM
 ANNUAL GENERAL MEETING**

IMPORTANT:

- To minimise physical interactions and COVID-19 transmission risks, shareholders will not be able to attend the Annual General Meeting ("AGM") in person. Shareholders (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the AGM if such shareholders wish to exercise their voting rights at the AGM.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 13 April 2022.
- SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 3.00 p.m. on Tuesday, 19 April 2022 (being seven (7) working days before the AGM). This proxy form is not valid for use by SRS investors and shall be ineffective for all intents and purported to be used by them.

*I/We, _____ (Name) _____ (*NRIC/Passport No./Company Registration No.)
 of _____ (Address)

being a shareholder/shareholders* of Y Ventures Group Ltd. (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by electronic means on Thursday, 28 April 2022 at 3.00 p.m. and at any adjournment thereof. I/We* direct the Chairman of the AGM to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

No.	Resolutions relating to:	For**	Against**	Abstain**
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2021 together with the Independent Auditors' Report thereon.			
2.	Re-election of Mr Low Yik Sen as Director.			
3.	Re-election of Mr Ng Tiong Gee as Director.			
4.	Re-election of Mr Tan Chade Phang as Director.			
5.	Approval of payment of Directors' Fees of S\$99,500 for the financial year ended 31 December 2021.			
6.	Re-appointment of Messrs Baker Tilly TFW LLP as the Independent Auditors and authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
7.	Authority to allot and issue shares			
8.	Authority to grant awards and to allot and issue shares under the Y Ventures Performance Share Plan.			

* Delete where inapplicable.
 ** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [✓] within the boxes provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2022

Total number of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

 Signature of Shareholder(s)
 or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

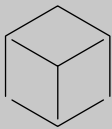


Notes:

1. To minimise physical interactions and COVID-19 transmission risks, shareholders will not be able to attend the AGM in person. Shareholders (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the AGM if such shareholders wish to exercise their voting rights at the AGM. Where shareholders (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to their manner of voting, or abstention from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
2. If the shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the shareholder.
3. The Chairman of the AGM, as proxy, need not be a shareholder of the Company.
4. This Proxy Form appointing the Chairman of the AGM as proxy, duly executed, must be submitted either:
 - (a) by post to the registered office of the Company at 6001 Beach Road, #09-01 Golden Mile Tower, Singapore 199589; or
 - (b) by email to investor@yventures.com.sg.in each case, not less than 72 hours before the time appointed for holding the AGM, i.e. by 3.00 p.m. on Monday, 25 April 2022.
5. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
7. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
8. Persons who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore, including investors under the Supplementary Retirement Scheme ("SRS Investors"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 3.00 p.m. on Tuesday, 19 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by 3.00 p.m. on 25 April 2022.
9. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form (including any related attachment). In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this Proxy Form, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 13 April 2022.



Y-VENTURES
FIND YOUR EDGE

Y Ventures Group Ltd.

6001 Beach Road

#09-01, Golden Mile Tower

Singapore 199589

Telephone: +65 6802 5398

<https://yventures.com.sg>