



Y VENTURES GROUP LTD.
(Company Registration No.: 201300274R)
(Incorporated in the Republic of Singapore)

UPDATE ON THE PROPOSED COLLABORATION

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings in the Company's announcement dated 23 July 2020 ("**Announcement**")*

1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**" or "**Directors**") of Y Ventures Group Ltd. ("**Company**" and together with its subsidiaries, the "**Group**") refers to its Announcement in relation to the Proposed Collaboration and wishes to announce that its wholly-owned subsidiary Y Ventures Lab Pte. Ltd. ("**YV Lab**") has, on 19 November 2020, entered into a training service collaboration agreement ("**Collaboration Agreement**") with YP Academy Pte Ltd ("**YP Academy**") to conduct training courses on digital marketing and e-commerce to adults for job skills upgrading through online platforms. The provision of the training courses is in partnership with NTUC Learning Hub.
- 1.2 The initial intended entity entering into the Proposed Collaboration with the Company as announced in the Announcement has changed from Yellow Pages to YP Academy as YP Academy is in the business of management consultancy and training services, and focuses more on trainings that will transcend more topics on digitalization. For avoidance of doubt, since the Announcement, the Company has not entered into any agreements with Yellow Pages in relation to the Proposed Collaboration. The Company has entered into the Collaboration Agreement with YP Academy to provide training, training study materials, trainers, and qualified mentors to conduct selected training modules.
- 1.3 Incorporated in 2020, YP Academy is currently wholly-owned by Mr Ng Tiong Gee, an independent director of the Company. As a result, the Proposed Collaboration will constitute an "interested person transaction" within the meaning of Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**IPT**"). Apart from YV Lab, YP Academy also collaborates with other independent third parties in providing training courses.
- 1.4 Since the Announcement, the Company has unexpectedly received overwhelming responses to the training courses to be jointly provided by YV Lab and YP Academy. The Company believes that this is in line with the Singapore Government's initiative during this COVID-19 pandemic to encourage its citizens to reskill and upskill themselves. Accordingly, as at the date of this announcement, based on the number of training courses conducted arising from such responses, the value at risk of the Proposed Collaboration, being the value of the payment to be received from YP Academy, will exceed 3.0% of the Group's latest audited net tangible assets as at 31 December 2019, being the latest financial year.

2 PRINCIPAL TERMS OF THE COLLABORATION

- 2.1 As part of the partnership, NTUC Learning Hub will engage YP Academy and pay its services based on training courses conducted for modules delivered for the program entitled “Digital Marketing and E-Commerce Specialist” under the SGUnited Skills (SGUS) Programme with NTUC LearningHub Pte Ltd (“**Digital Marketing Course**”).
- 2.2 Accordingly, under the terms of the Collaboration Agreement between YV Lab and YP Academy:
- (i) YP Academy has engaged YV Lab to provide the training, training study materials, trainers, and qualified mentors to conduct selected training modules delivered for the Digital Marketing Course with NTUC Learning Hub;
 - (ii) YP Academy will provide course descriptions, curriculum outlines and collateral design for the marketing materials required for the Digital Marketing Course, and will be responsible to ensure the operation of the training rooms, logistics, tele-conferencing facilities for the Digital Marketing Course; and
 - (iii) YP Academy and YV Lab have agreed that YV Lab shall invoice YP Academy for the services provided by YV Lab for each module for each day based on the actual number of participants in such module which is conducted by YV Lab wherein such payment rates were arrived at on an arm’s length basis and were no more favourable than the terms extended to other independent third parties which YP Academy collaborates with.

3 RATIONALE FOR THE PROPOSED COLLABORATION

The Proposed Collaboration presents an opportunity for the Company to develop its existing core business of the e-commerce retail and distribution of books by providing an avenue to share its expertise in digital marketing and e-commerce through the provision of training courses.

Notwithstanding the above, the Company is of the view that the Proposed Collaboration will not result in a material change in the risk profile of the Company, taking into account, the following considerations: (a) the scale of the Company’s existing operations will not increase significantly as a result of the Proposed Collaboration; (b) there will not be a change in control of the Company as a result of the Proposed Collaboration; (c) the Proposed Collaboration would not result in an expansion of the Company’s business in new geographical markets; and (d) the Company expects the revenue contribution from the Proposed Collaboration at the initial stages to represent no more than 5.0% and the Proposed Collaboration would not have a significant adverse impact on the its earnings, working capital and gearing.

4 PROPOSED COLLABORATION AS AN INTERESTED PERSON TRANSACTION

- 4.1 YV Lab is an “entity at risk” while YP Academy is an “interested person” as defined under Chapter 9 of the Catalist Rules, in view of the following:
- (i) Mr Ng Tiong Gee holds 100% of the shareholding interest of YP Academy; and
 - (ii) accordingly, YP Academy is an associate (as defined in the Catalist Rules) of Mr Ng Tiong Gee.
- 4.2 As YP Academy is an associate of Mr Ng Tiong Gee as described above, who is a Director of the Company, the collaboration between YV Lab and YP Academy is an “interested person transaction” under the Catalist Rules.

4.3 Thresholds under Chapter 9 of the Catalist Rules

Based on the amount to be received by YV Lab of S\$128,150 under the terms of the Collaboration Agreement as at 19 November 2020 and the latest audited net tangible assets of the Group of S\$4,126,433 as at 31 December 2019, being the latest financial year, the relative value of the Proposed Collaboration is approximately 3.1%.

4.4 Total Value of Interested Person Transactions

There are no other interested person transactions, excluding transactions below S\$100,000, entered into with YP Academy and/or any other associate (as defined in the Catalist Rules) of Mr Ng Tiong Gee for the current financial year ending 31 December 2020 up to the date of this announcement.

There are no other interested person transactions, excluding transactions below S\$100,000, involving the Group with interested persons other than YP Academy, for the current financial year ending 31 December 2020 up to the date of this announcement.

5 **AUDIT COMMITTEE'S STATEMENT**

5.1 The Audit Committee of the Company comprises of Mr Goh Cher Shua (Chairman of the Audit Committee), Mr Edward Tiong Yung Suh, Mr Tan Jia Kien and Mr Ng Tiong Gee.

5.2 As Mr Ng Tiong Gee is interested in the collaboration between YV Lab and YP Academy as described in paragraph 4 above, Mr Ng Tiong Gee has declared his interests to the Board and accordingly, has abstained and will abstain from all deliberations in respect of the Proposed Collaboration as well as voting in the resolutions of the Board and the Audit Committee.

5.3 The Audit Committee (excluding Mr Ng Tiong Gee) is of the view that the Proposed Collaboration is on normal commercial terms, and is not prejudicial to the interests of the Group and its minority shareholders.

5.4 It is to be noted that, during the last Nominating Committee and Board meeting held on 13 August 2020, Mr Ng Tiong Gee had expressed his intention to step down from the Board in light of the Proposed Collaboration. However, he has agreed to stay on to see through the completion of the ongoing independent review by Deloitte & Touche Enterprise Risk Services Pte. Ltd. ("**Independent Review**").

5.5 Having considered the above, as well as the amount to be received by YV Lab of S\$128,150 under the terms of the Collaboration Agreement as at 19 November 2020 and the payment to be received by YP Academy from NTUC Learning Hub in proportion to the Proposed Collaboration with YV Lab, the Nominating Committee and the Board continues to consider Mr Ng Tiong Gee as independent pursuant to Rule 406(3)(d) of the Catalist Rules and the Code of Corporate Governance given that the value of the payment to be received by the Group from YP Academy in respect of the Proposed Collaboration is not expected to exceed S\$200,000 over the current financial year and is not deemed to be significant to the revenue and operations of the Group as well as the payment terms to be received by YP Academy and NTUC Learning Hub being no more favourable than the terms extended to other independent third parties which NTUC Learning Hub collaborates with.

5.6 The Board will continue to monitor the independence of Mr Ng Tiong Gee and the Proposed Collaboration closely and, if required, will seek the necessary shareholders' approval for the Proposed New Business for, *inter alia*, any change in risk profile and business diversification (if required) and to comply with the requirements of Chapter 9 of the Catalist Rules should such transaction value exceeds 5.0% of the Group's latest audited net tangible assets.

6 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above and their respective shareholding interests in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Collaboration, other than through their shareholding in the Company.

7 CAUTIONARY STATEMENT

The Company will keep shareholders informed of any further development by way of further announcement(s) as and when necessary in accordance with the Catalist Rules. Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Lew Chern Yong
Executive Chairman and Director
19 November 2020

This announcement 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"). The Sponsor has not independently verified the contents of this announcement.

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

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