

Y-VENTURES
FIND YOUR EDGE

Annual Report 2020



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**"). The Sponsor has not independently verified the contents of this annual report.

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.

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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 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,

COVID-19 pandemic presented us with an extremely challenging year, however, we were able to end FY2020 on a satisfactory note for the Group. The Group had benefited from its initiatives implemented in FY2019 and the results gained in FY2020 have been very encouraging.

STRENGTHENING OF CORE BUSINESS

The Group achieved a healthy growth of 41.8% in sales to US\$35.0 million from the US\$24.7 million recorded in FY2019. This turned around the post-tax loss suffered in FY2019 of US\$1.7 million into a post-tax profit of US\$0.8 million. The encouraging outcome is attributed to the Group consolidating its focus back to its core business of sales of books on online marketplaces.

Also, with the continued support and strengthening of relationships with major publishers, we received better credit terms which allow us to acquire additional inventories to meet the increased demand. Moving forward, the Group will continue 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 review its operations to keep administrative expenses lean and improve overall cost efficiency.

ALIGNING INTEREST

During FY2020, I further aligned my interest with shareholders by entering into a Call Option Agreement on 10 July 2020 with Mr. Low Yik Sen, the Managing Director of the Company via my nominee company, Amber Blaze Limited, for the option to acquire 48,000,000 ordinary shares in the issued share capital in the Company owned by Mr. Low Yik Sen, at an aggregate option price of S\$2.4 million at an exercise price of S\$0.05 per option share.

STRENGTHENING OUR BALANCE SHEET

Further, in December 2020, the Group completed a private shares placement exercise of S\$840,000 raised from a number of seasoned investors and related e-commerce industry partners with the issue of 12,000,000 new ordinary shares. The continued show of steadfast support and confidence in the Group is heartening despite a difficult capital market environment.

The S\$840,000 raised allows the Group to increase our working capital thus permitting the Group to acquire more inventory to strengthen its existing core businesses as well as pursue business opportunities which will enable the Group to diversify its long-term revenue stream.

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

With our core capabilities and the fast growing e-commerce market that we are in, it is of no surprise that we have many synergies with potential strategic partners. We continue to identify suitable synergistic opportunities to leverage on strengthening the Group's position with further technological development as well as explore other growth opportunities through Mergers and Acquisitions, Joint Ventures and Investments as our business strategies.

LOOKING TO THE FUTURE

The prolonged COVID-19 pandemic in FY2020 spanning over a year until today has been a once in a lifetime Black Swan event, testing the most resilient of companies and the foundations of many businesses.

As of first-quarter FY2021, the Group's online sales continues its growth, with consumers purchasing strongly online remaining as a continuous trend. However, we remain vigilant and continue to monitor related global and economic developments to the COVID-19 pandemic and their impact on the Group's core business in order to remain agile in our business strategies.

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.

ACKNOWLEDGEMENT

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 FY2020 prolonged COVID-19 pandemic. We would also like to thank our shareholders and suppliers for their patient support and continued faith in the Group. We look forward for your continued support, while the Group remains cautiously optimistic on its FY2021 prospects as we continue to strengthen our core data analytics capability and applications while remaining vigilant on cost and cash management.

Thank you.

Mr. Lew Chern Yong, Eric

Executive Chairman and Director
Y Ventures Group Ltd.

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME)

Revenue

The revenue increased by 41.8% or US\$10.3 million from US\$24.7 million in FY2019 to US\$35.0 million in FY2020. The increase was mainly due to an increase in the sales of books on online marketplaces.

The breakdown of revenue is as follows:

	The Group	
	FY2020	FY2019
Revenue	US\$	US\$
Sales of goods	34,460,123	24,262,073
Service income	558,743	435,755
	35,018,866	24,697,828

The increase in revenue from the sales of goods in FY2020 was mainly attributable to the book sales amounting to US\$23.3 million in FY2019 as compared to US\$34.5 million in FY2020.

The Group's revenue from service income is largely derived from our waste management services which have remained flat at US\$0.4 million in FY2019 and FY2020.

Cost of sales

The cost of sales increased by 38.8% or US\$5.8 million from US\$15.1 million in FY2019 to US\$20.9 million in FY2020 mainly due to the corresponding increase in sales. In FY2020, there was a higher write-down of inventories of US\$0.1 million compared to US\$25,666 in FY2019.

Gross profit

The gross profit margin for FY2020 and FY2019 were approximately 40.2% and 38.9% respectively. The increase in gross profit margin was due to better margins on books sold.

The gross profit margin for service income remained largely stable.

Other income

The other income increased by 25.4% or US\$0.2 million from US\$0.6 million in FY2019 to US\$0.8 million in FY2020. In FY2019, the Company divested its shareholding interest in Faire Holdings Pte. Ltd. which resulted a net gain on disposal of US\$0.1 million. In FY2020, the Company received government subsidies amounting to US\$0.3 million for wage credit and job support schemes during the COVID-19 pandemic.

Selling and distribution expenses

The selling and distribution expenses increased by 37.8% or US\$2.8 million from US\$7.5 million in FY2019 to US\$10.3 million in FY2020 mainly due to the increase in sales of books through online marketplaces.

Administrative expenses

The administrative expenses decreased by 15.9% or US\$0.7 million from US\$4.3 million in FY2019 to US\$3.6 million in FY2020. In FY2020, there were lower professional fees incurred, staff costs and loss on foreign exchange due to the weakening of the United States Dollar.

Finance costs

The finance costs decreased by 34.0% or US\$29,587 from US\$87,058 in FY2019 to US\$57,471 in FY2020 due to lower utilisation of credit facilities.

Profit after tax

The profit after tax for FY2020 was US\$0.8 million, a significant improvement by US\$2.5 million, when compared to US\$1.7 million loss after tax recorded in FY2019.

FINANCIAL REVIEW

REVIEW OF FINANCIAL POSITION (STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets increased by 1.5% or US\$0.4 million from US\$24.4 million as at 31 December 2019 to US\$24.8 million as at 31 December 2020. This was mainly due to the increase in cash and bank balances and inventories offset by a decrease in trade and other receivables.

Non-current assets

Non-current assets decreased by 17.2% or US\$0.3 million from US\$1.7 million as at 31 December 2019 to US\$1.4 million as at 31 December 2020. This was primarily due to write-off of intangible assets and reduction in right-of-use assets.

Current liabilities

The current liabilities decreased by 5.6% or US\$1.2 million from US\$21.9 million as at 31 December 2019 to US\$20.7 million as at 31 December 2020. This was mainly due to the decrease in borrowings and trade and other payables from the purchase of inventories offset by an increase in tax payable.

Non-current liabilities

Non-current liabilities decreased by 9.4% or US\$95,236 from US\$1.0 million as at 31 December 2019 to US\$0.9 million as at 31 December 2020 primarily due to the Group recording lower borrowings.

Working capital

The Group's working capital increased by 64.3% or US\$1.6 million from US\$2.5 million as at 31 December 2019 to US\$4.1 million as at 31 December 2020. The increase was mainly due to the higher cash and bank balances and inventories, as well as lower trade and other payables and borrowings.

Shareholders' equity

The Group's shareholders' equity increased by 43.1% or US\$1.4 million from US\$3.2 million as at 31 December 2019 to US\$4.6 million as at 31 December 2020 mainly due to the profit for the year and the issuance of shares pursuant to the private placement of 12,000,000 new ordinary shares.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENT OF CASH FLOWS)

Net cash flow generated from operating activities for FY2020 was US\$1.0 million, comprising mainly operating cash flow before working capital of approximately US\$1.5 million and offset working capital outflow of US\$0.5 million. The working capital outflow was largely due to decrease in trade and other receivables of US\$0.6 million, and a decrease in trade and other payables of US\$0.9 million offset by increased purchase of inventories of US\$0.2 million.

Net cash used in investing activities of US\$29,869 was mainly from purchase of intangible assets and offset by the proceeds from the disposal of property, plant and equipment.

Net cash used in financing activities of US\$0.7 million was mainly from the repayment of borrowings and offset by the proceeds from the issuance of shares.

Overall, the cash and cash equivalents of the Group increased in FY2020, ending the period with cash and cash equivalents of US\$1.3 million.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr. Low Yik Sen (Adam Low)
Managing Director

Mr. Low Yik Jin (Alex Low)
Chief Executive Officer and Executive Director

Mr. Edward Tiong Yung Suh
Lead Independent Director

Mr. Goh Cher Shua
Independent Director

Mr. Ng Tiong Gee
Independent Director

Mr. Tan Jia Kien (Felix Tan)
Independent Director

AUDIT COMMITTEE

Mr. Goh Cher Shua (*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. Goh Cher Shua
Mr. Ng Tiong Gee

REMUNERATION COMMITTEE

Mr. Edward Tiong Yung Suh (*Chairman*)
Mr. Goh Cher Shua
Mr. Ng Tiong Gee
Mr. Tan Jia Kien

COMPANY SECRETARY

Ms. Wee Woon Hong, LLB (Hons)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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#05-06, Braddell House
Singapore 319637
Telephone: +65 6344 0105
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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. Tiang Yii
(*A member of the Institute of Singapore Chartered Accountants*)
(*Appointed since the financial year ended 31 December 2017*)

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
(*formerly known as RHT Corporate Advisory 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 is currently the Vice Chairman of the Waste Management & Recycling Association of Singapore (WMRAS). He started his career as an auditor with KPMG LLP after obtaining a Bachelor's Degree in Accountancy with a 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, one of our co-founders, is our Chief Executive Officer and Executive Director. He is responsible for the overall day-to-day management of our Group including business strategy, online marketplace channel expansion, online sales and technology development. He has accumulated 18 years of experience in the e-commerce market since 2003 when he first sold second-hand books online. He grew our Group from a start-up to an e-commerce enterprise selling products across 20 online marketplaces today, with sales revenue of approximately US\$35.0 million for FY2020. Low Yik Jin graduated from the University of Washington, USA in 2004 with a Bachelor of Science majoring in Applied and Computational Mathematics. He further obtained his Master in Business Administration (MBA) from Peking University, the PRC in 2010.

LOW YIK SEN (ADAM LOW)

Managing Director
Appointed on: 2 January 2013

Adam Low, one of our co-founders, is our Managing Director. He was re-designated from Executive Chairman and Managing Director of the Company to Managing Director of the Company on 1 March 2019. He is responsible for overseeing the logistics arm of our Group, freight forwarding, waste management services and conducting training for online courses run by the Group. Low Yik Sen also serves as a committee board member at the Kembangan-Chai Chee Senior Activity Centre. Prior to founding our Group, Low Yik Sen spent six years with the Singapore Armed Forces. His experience during his time with the Singapore Armed Forces includes being a liaison officer with the Defence, Science and Technology Agency. He graduated with a Diploma in Electronics Engineering from Temasek Polytechnic, Singapore in 1999.

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 a partner in its Litigation & Dispute Resolution practice group, where his main areas of practice are corporate restructuring and insolvency, banking litigation, commercial litigation and property disputes. He is also a Director since 2017 at Turnaround Management Association Singapore And South East Asia Ltd, which is a global organization dedicated to turnaround management, corporate restructuring, and distressed investing. He has been lead counsel in several high-profile cross border restructuring matters 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. He is currently serving 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 (previously known as Global Yellow Pages Limited) since 2007. Both Pacific Radiance Ltd. and GYP Properties Limited are listed on the SGX-ST. From 2013 to 2016, Ng Tiong Gee 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.

GOH CHER SHUA

Independent Director

Appointed on: 7 May 2019

Goh Cher Shua is one of our Independent Directors and the Audit Committee Chairperson of our Group. He has over 30 years of work experience in accounting and finance functions. He was the Chief Financial Officer at Hong Leong Asia Ltd and was responsible for all financial matters which includes financial reporting, strategic financial planning, treasury and internal controls. Prior to joining Hong Leong Asia Ltd., he held the position of Financial Controller of UTAC Dongguan Ltd. in January 2011. Prior to that, he held various senior management positions in companies listed on the SGX-ST. He started his career with the subsidiaries of multinational corporations such as General Electric and Matsushita Electric (now known as Panasonic Corporation) in Singapore. He graduated with a Bachelor of Accountancy from National University of Singapore in 1979 and Master of Business Administration (MBA) from University of Wales, Bangor (United Kingdom) in 1996. He is a Fellow of the Institute of Singapore Chartered Accountants (ISCA).

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 formerly the Managing Director of The Finlab Pte. Ltd. and has more than 15 years of market entry and business experience. He is also an Independent Non-Executive Director since January 2021 of Eggriculture Foods Ltd., a company listed on the Hong Kong Stock Exchange. He was the Business Development Director of Wong Fong Research and Innovation Centre in 2015. From 2011 to 2015, he served Evolusia LLP as Senior Consultant responsible to help its stakeholder to identify and map out holistic strategies to achieve goals. Prior to that, he was active in Performance Leadership Pte. Ltd. and NTU Ventures Private Limited (now known as Nanyang Technological University – Ntuitive Pte. Ltd.) as Associate Director and Mentor, respectively, to entrepreneurs and aspiring in process and business management. From 2007 to 2009, he was the Vice President (Deposits) and Head of finatiQ.com at Oversea-Chinese Banking Corporation Limited ("**OCBC**"), responsible for strategic and business planning. 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 (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 to the financial year ended 31 December 2020 (“**FY2020**”) 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 43 to 46 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.

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.

CORPORATE GOVERNANCE REPORT

During FY2020, outside of the mandatory full and half-yearly board meetings, the Board had communications with the Management via teleconferences and emails and were provided with periodic updates on the impact of Coronavirus disease (COVID-19) 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 (Chapter 50) 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 (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 Directors will undergo appropriate orientation program to provide them with overview of the business, trends, operations of the Group. Every Director is also encouraged to seek additional training to further their skills in performing their duties, including attending courses and/or events organised by the Singapore Institute of Directors ("**SID**") at the Company's expense.

For newly appointed Directors who do 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 ("**Mandatory Training**") 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 FY2020 are listed below:

Name of Directors	Title of Trainings/Seminars
Tan Jia Kien (Felix Tan) <i>(Appointed as Independent Director of the Company on 14 October 2019)</i>	LED 1 – Listed Entity Director Essentials LED 2 – Board Dynamics LED 3 – Board Performance LED 4 – Stakeholder Engagement LED 5 – Audit Committee Essentials LED 6 – Board Risk Committee Essentials LED 7 – Nominating Committee Essentials LED 8 – Remuneration Committee Essentials
Lew Chern Yong (Eric Lew)	Innovation-Extreme for Leaders, Executives and Entrepreneurs

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 (3) 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 43 to 46 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 Board attends meetings regularly and at least on a half-yearly basis. Additional meetings are also held 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 Directors 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' meetings (i.e. annual general meetings and extraordinary general meetings) 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. During FY2020, the Board and Board Committees Meetings and Annual General Meeting were held by electronic means in line with the safe-distancing measures and regulations imposed by the Singapore Government amidst COVID-19 transmission risks. Even as the measures are progressively eased, the Company may continue to hold or conduct its meetings via electronic means, depending on COVID-19 situation.

The number of Board and Board Committees meetings and the record of attendance of each Director during FY2020 is set out in Table B on page 47 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, namely Mr. Lew Chern Yong, Mr. Ng Tiong Gee and Mr. Tan Jia Kien, and noted that these 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.

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.

The Directors are provided with complete, adequate and timely information prior to Board and Board Committees meetings 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. During FY2020, the impact of COVID-19 on the Group's operations, business activities and financial performance was a key topic of discussion. The Management provided periodic COVID-19 business updates to the Board as well as the changes in business strategy or steps taken to address the effects of COVID-19.

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.

CORPORATE GOVERNANCE REPORT

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 the 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 (or her 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 Board's approval.

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.

Based on the confirmation of independence submitted by the Independent Directors and the results of the NC's review, the NC was of the view that the Independent Directors of the Company, namely, Mr. Edward Tiong Yung Suh, Mr. Goh Cher Shua, Mr. Ng Tiong Gee and Mr. Tan Jia Kien are independent in accordance with both the Catalist Rules and the Code. Please refer to the disclosures under Provision 4.4 of the Code for further details.

CORPORATE GOVERNANCE REPORT

The RC noted that Mr. Goh Cher Shua, an Independent Director of the Company, is the father of Mr. Sean Goh Hong Yi, the Head of Data Science of the Company. Mr. Goh Cher Shua's son was hired in June 2017 by the Company's subsidiary, LYJ International Pte. Ltd. and is not an executive officer of the Company. He was hired prior to Mr. Goh Cher Shua becoming an Independent Director of the Company. The salary, remuneration, employment benefits, and other terms of remuneration are not subject to the review, approval or determination of the RC. Mr. Sean Goh Hong Yi reports directly to the CEO of the Company. Accordingly, the RC noted that Mr. Goh Cher Shua's independence is not affected by Catalist Rule 406(3)(d) 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.

The Board currently comprises seven (7) members, three (3) of whom are Executive Directors (one of which the 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. Goh Cher Shua, Mr. Ng Tiong Gee and Mr. Tan Jia Kien.

Please refer to Table A set out on page 43 of this Annual Report for the composition of the Board of Directors.

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.

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.

CORPORATE GOVERNANCE REPORT

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.

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 FY2020, the Company's Independent Directors held periodic conference calls to discuss the Group's affairs in the absence of the Executive Directors and Management.

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.

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.

CORPORATE GOVERNANCE REPORT

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 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 (1) 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.

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.

CORPORATE GOVERNANCE REPORT

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:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- (c) the review of training and professional development programmes for the Board and its directors; and
- (d) 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 page 45 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. Goh Cher Shua and Mr. Ng Tiong Gee, all of whom are Independent Directors. The Lead Independent Director, Mr. Edward Tiong Yung Suh is a member of the NC.

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.

CORPORATE GOVERNANCE REPORT

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 Catalist Rule 226(2)(d).

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 (3), 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. Lew Chern Yong, Mr. Low Yik Jin and Mr. Edward Tiong Yung Suh, to retire pursuant to Regulation 117 of the Company's Constitution, 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 47 to 54 of the Annual Report for information of directors seeking re-election.

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

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.

CORPORATE GOVERNANCE REPORT

- Director Independence – Mr. Goh Cher Shua

Mr. Goh Cher Shua, an Independent Director of the Company, is the father of Mr. Sean Goh Hong Yi, the Head of Data Science of the Company. Mr. Goh Cher Shua's son was hired in June 2017 by the Company's subsidiary, LYJ International Pte. Ltd. and is not an executive officer of the Company. He was hired prior to Mr. Goh Cher Shua becoming an Independent Director of the Company. The salary, remuneration, employment benefits, and other terms of remuneration are not subject to the review, approval or determination of the RC. Mr. Sean Goh Hong Yi reports directly to the CEO of the Company. Accordingly, Mr. Goh Cher Shua's independence is not affected by Catalist Rule 406(3)(d) and the Code.

- Director Independence – Mr. Ng Tiong Gee

As set out in the Company's announcement dated 19 November 2020, the Company's subsidiary, Y Ventures Lab Pte. Ltd. ("**YV Lab**") had 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 ("**YP Academy Collaboration**"). The provision of the training courses by YV Lab and YP Academy is in partnership with NTUC Learning Hub.

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.

As YP Academy is an associate of Mr. Ng Tiong Gee as described above, who is an Independent Director of the Company, the collaboration between YV Lab and YP Academy is an "interested person transaction" under the Catalist Rules.

The NC (other than Mr. Ng Tiong Gee, being a NC member) has determined that there is no risk of conflict of interest and therefore Mr. Ng Tiong Gee continues to be considered independent having regard to the practice of Code and the disclosures required under Catalist Rule 406(3)(d) given that the value of the payment to be received by the Group from YP Academy in respect of YP Academy Collaboration did not exceed S\$200,000 in FY2020 and 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. Further, Mr. Ng Tiong Gee has abstained and will abstain from all deliberations in respect of the YP Academy Collaboration as well as voting in the resolutions of the Board and AC. The NC will continue to monitor the independence of Mr. Ng and the YP Academy Collaboration closely. As at the date of this Annual Report, there have been no payments received by the Group from YP Academy in respect of the YP Academy Collaboration since 1 January 2021.

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

CORPORATE GOVERNANCE REPORT

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 an SGX-ST 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 (1) 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 a director of an SGX-ST 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 on pages 22 to 23 of this Annual Report.

In accessing 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.

CORPORATE GOVERNANCE REPORT

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 (for the last 5 years)
Low Chern Yong (Executive Chairman and Director)	Directorships: 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: Allen & Gledhill LLP – Partner	Directorships: Nil Other Principal Commitments: Nil
Goh Cher Shua (Independent Director)	Directorships: Nil Other Principal Commitments: Nil	Directorships: Nil Other Principal Commitments: Nil
Ng Tiong Gee (Independent Director)	Directorships: <ul style="list-style-type: none"> • GYP Properties Limited • Pacific Radiance Ltd. Other Principal Commitments: Yellow Pages Pte. Ltd. – Chairman	Directorships: Nil Other Principal Commitments: Nil

CORPORATE GOVERNANCE REPORT

Directorships in other listed company and other principal commitments		
Name of Directors	Present	Past (for the last 5 years)
Tan Jia Kien (Independent Director)	Directorships: <ul style="list-style-type: none"> Eggriculture Foods Ltd. (listed on the Hong Kong Stock Exchange) 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 (resigned both positions on 30 September 2020)

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 FY2020 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.

CORPORATE GOVERNANCE REPORT

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 FY2020.

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 FY2020.

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.

CORPORATE GOVERNANCE REPORT

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 page 46 of the Annual Report for the composition and functions of the RC.

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. Goh Cher Shua, Mr. Ng Tiong Gee and Mr. Tan Jia Kien, 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.**

No remuneration consultants were engaged by the Company during FY2020.

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.

CORPORATE GOVERNANCE REPORT

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.

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 page 54 for the percentage breakdown of remuneration of the Directors for FY2020.

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 FY2020.

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 FY2020. 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 is not disclosing the exact details of the remuneration of each individual Director of the Company. Such disclosure of remuneration of each Director in a highly competitive market for talents may potentially result in staff movement. However, the Company adopts the disclosure of remuneration in bands of S\$250,000 in percentage terms which would provide a good overview and is informative of the remuneration of each Director.

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 as disclosed below, 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 FY2020 exceeds S\$100,000.

- Mr. Low Yik Sen (the Managing Director of the Company) is substantial shareholder of the Company. His brother, Mr. Low Yik Jin (the CEO and Executive Director of the Company) is also substantial shareholder of the Company. 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.
- Mr. Sean Goh Hong Yi, the son of Mr. Goh Cher Shua, the Independent Director of the Company, was hired as a Head of Data Science by the Company's subsidiary, LYJ International Pte. Ltd. Mr. Sean Goh's remuneration for FY2020 exceeded S\$100,000 but less than S\$250,000. Please refer to the voluntary disclosures under Provision 2.1 of the Code for more details.

CORPORATE GOVERNANCE REPORT

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. No shares have been issued under this plan during FY2020.

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.

CORPORATE GOVERNANCE REPORT

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 CFO that for FY2020 and up till the date of this Annual Report, save for the matters highlighted under paragraph 2 of the section titled "*Other Corporate Governance Matters - Internal Control Matters*" on page 40 of this Annual Report:

- (a) 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 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, save for the matters highlighted under paragraph 2 of the section titled "*Other Corporate Governance Matters - Internal Control Matters*" on page 40 of this Annual Report.

The Board met two (2) times during FY2020 via physical and virtual Board meetings and have continuously updated the AC on the developments of the Company. The CEO and CFO have also assured the Board that, save for the matters highlighted under paragraph 2 of the section titled "*Other Corporate Governance Matters - Internal Control Matters*" on page 40 of this Corporate Governance Report, internal controls are in place. The Board has also been updated on the internal control measures taken during FY2020 and up till the date of this Annual Report. Discussions between the Internal Auditor, External Auditor and the AC in the absence of Management have also further assured the AC that the internal controls established as at the date of this Annual Report are maintained for the operations of the business.

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 half year and full year results of the Group and the audited annual financial statements, SGXNet announcements and all related disclosures 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 FY2020, the AC has discussed with Management on 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 the 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 FY2020 are as follows:

• Audit fees	: S\$99,800
• Non-audit fees	: S\$10,000

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.

CORPORATE GOVERNANCE REPORT

(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 Auditor 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 Auditors as well as the Group's compliance with Catalist Rules and the Code.

In compliance with Rule 1204(6)(b) of the Catalist 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 Catalist Rules 712 and 715 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. There were no whistleblowing reports received in FY2020. 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 call or email 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.

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

CORPORATE GOVERNANCE REPORT

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. Goh Cher Shua (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. Goh Cher Shua, 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 (2) years, and none of the AC members hold any financial interest in the Company's current auditing firm.

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 Auditors. The internal audit function of the Group was outsourced to Yang Lee & Associates for FY2020. The Internal Auditors 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 Auditors as required under Rule 1204(10C) of the Catalist Rules and determined that the Internal Auditors are independent, effective and adequately resourced with the appropriate standing within the Group and is able to perform its functions effectively and objectively.

CORPORATE GOVERNANCE REPORT

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 Auditors 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 Auditors 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 met once in February 2020 with the External Auditor (Baker Tilly TFW LLP) and Internal Auditor (Yang Lee & Associates), in the absence of the Management to review any related matters that might have arisen.

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 also informed of the voting procedures prior to the commencement of voting by poll at such general meetings.

In line with the safe-distancing measures and regulations imposed by the Singapore Government amidst Coronavirus disease (COVID-19) transmission risks, the Company strongly encourages Shareholder's participation at the forthcoming AGM for FY2020 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**").

CORPORATE GOVERNANCE REPORT

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.

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).

Although the AGM of the Company will be conducted by electronic means, Shareholders may submit questions relating to the business of the AGM, including the Group's business activities, COVID-19 impact on financial performance, changes in capital investment and strategies and other business-related matters to the Company in advance and the responses to questions from Shareholders will then be posted on the SGXNet.

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 (e.g. via email) 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.

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.

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 Chairpersons of the AC, RC and NC have been and will be present at the general meetings to answer queries raised by the Shareholders. The External Auditor, Baker Tilly TFW LLP, are invited to attend to address any Shareholders' queries submitted prior to the virtual general meetings, including queries on the conduct of audit and the preparation and content of the auditors' report.

CORPORATE GOVERNANCE REPORT

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.

A table showing a list of the Directors and the number of Board and Board Committees meetings and the last Annual General Meeting held during FY2020 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 47 of this Annual 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 general meeting 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 (2) 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 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 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 will be still held by electronic means under the Alternative Arrangements Order. For more information on attending the AGM in respect of FY2020 by electronic means, voting and submission of questions, please refer to the Company's Notice of the AGM dated 13 April 2021.

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 comprised, and legislative changes are effected to recognise remote voting.

CORPORATE GOVERNANCE REPORT

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 general meetings of the Company are available under the Investor Relations section of Company's website at <https://yventures.com.sg>

In line with the Alternative Arrangements Order, the minutes of the general meetings of the Company, will be posted on the SGXNet and the Company's website, within one (1) month after the date of the general meeting.

If the Company receives questions relating to the business of the general meeting, the responses to such questions from Shareholders will be posted on the SGXNet and the Company's website before the general meeting.

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).

Even though the Company had turnaround from loss to profit in FY2020, the Board has not declared any dividend for FY2020 to conserve cash in the current period of uncertain market conditions.

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 its 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.

CORPORATE GOVERNANCE REPORT

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.

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.

CORPORATE GOVERNANCE REPORT

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 though stakeholder engagement and can be found in the Company's Sustainability Report 2020 on pages 59 to 60 of this Annual Report. The Company's Annual Report 2020, including Sustainability Report, is available on the SGXNet and Company's corporate website at <https://yventures.com.sg>.

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

The Company 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.

CORPORATE GOVERNANCE REPORT

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 FY2020, 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, 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.

Notwithstanding the above, the Audit Committee wishes to highlight the following areas of material weaknesses identified in the Independent Review report received from Deloitte and internal controls of the Group identified during the internal audit of the Group in FY2020, as well as the steps taken to address them.

Areas of material weakness	Steps taken to address material weakness
<ul style="list-style-type: none"> Ineffective monitoring of inventory balance Weaknesses in the procurement and payment process Inadequate review of accounting entries Inadequate review of the financial closing and reporting process 	<p>An integrated Enterprise Resource Planning system "Microsoft Dynamics 365 Business Central" ("BC-365 ERP") was rolled out in September 2020 with the Group's current accounting system "Xero" running concurrently. The Company anticipates that "Xero" will cease live run once the BC-365 ERP stabilizes and is fully implemented by 2Q FY2021.</p>

3. Interested Person Transactions

[Catalist Rule 1204(17)]

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

CORPORATE GOVERNANCE REPORT

The Group do not have not a general mandate for IPTs under Chapter 9 of the Catalist Rules. The Company's disclosures in respect of IPT for FY2020 are as follows:

As set out in the Company's announcement dated 19 November 2020, the Company's subsidiary, YV Lab had entered into a Collaboration Agreement with 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.

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.

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.

The aggregate value of the interested person transactions entered into during FY2020 is as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
YP Academy Pte. Ltd.	S\$185,600	-

The AC of the Company comprises of Mr. Goh Cher Shua (Chairman of the AC), Mr. Edward Tiong Yung Suh, Mr. Tan Jia Kien and Mr. Ng Tiong Gee. As Mr. Ng Tiong Gee is interested in the collaboration between YV Lab and YP Academy as described 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.

The Board (excluding Mr. Ng Tiong Gee) confirms that the above interested person transaction was entered into on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. Please refer to the Company's announcements dated 23 July 2020 and 19 November 2020 for further details on the abovementioned transaction.

Save for the IPT disclosed above, there are no other IPT above S\$100,000 for FY2020 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), 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 one month before the announcement of the Group's half-yearly and annual financial results and ending on the date of announcement of those 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 FY2020.

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 2020 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 2020 S\$	Amount unutilised as at 31 December 2020 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)	-
	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 and the utilisation of the proceeds as at 31 December 2020 and the date of this Annual Report is as follows:

Use of proceeds from new shares placement	Amount allocated	Amount utilised as at 31 December 2020	Amount unutilised as at 31 December 2020
	S\$	S\$	S\$
Business expansion through mergers and acquisitions, joint ventures, strategic collaborations and investments	500,000	-	500,000
General working capital (comprising administrative expenses and purchase of products)	340,000	(340,000)	-
	840,000	(340,000)	500,000

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)
Goh Cher Shua	(Independent Director)
Ng Tiong Gee	(Independent Director)
Tan Jia Kien	(Independent Director)

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.

CORPORATE GOVERNANCE REPORT

Audit Committee comprises:-

Goh Cher Shua	(Chairman, Independent)
Edward Tiong Yung Suh	(Member, Independent)
Ng Tiong Gee	(Member, Independent)
Tan Jia Kien	(Member, Independent)

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;
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.

CORPORATE GOVERNANCE REPORT

Nominating Committee comprises:-

Tan Jia Kien	(Chairman, Independent)
Edward Tiong Yung Suh	(Member, Independent)
Goh Cher Shua	(Member, Independent)
Ng Tiong Gee	(Member, Independent)

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)
Goh Cher Shua	(Member, Independent)
Ng Tiong Gee	(Member, Independent)
Tan Jia Kien	(Member, Independent)

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 FY2020									
Name of Director	Annual General Meeting held on 29 June 2020*	Board of Directors Meetings held on February and August 2020*		Audit Committee Meetings held on February and August 2020*		Remuneration Committee Meeting held on February 2020		Nominating Committee Meetings held on February and August 2020*	
		No. held	No. attended	No. held	No. attended	No. held	No. attended	No. held	No. attended
Lew Chern Yong	√	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Low Yik Sen	√	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Low Yik Jin	√	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Edward Tiong Yung Suh	√	2	2	2	2	1	1	2	2
Goh Cher Shua	√	2	2	2	2	1	1	2	2
Ng Tiong Gee	√	2	2	2	2	1	1	2	2
Tan Jia Kien	√	2	2	2	2	1	1	2	2

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

* The Annual General Meeting held on June 2020, the meetings of Board of Directors, Audit Committee, Nominating Committee held on August 2020 of the Company 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.

TABLE C

Mr. Lew Chern Yong, Mr. Low Yik Jin, and Mr. Edward Tiong Yung Suh, 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 2021 (collectively, the "Retiring Directors" and each a "Retiring Director").

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

Name of Directors	Lew Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
Date of Appointment	1 March 2019	2 January 2013	29 May 2017
Date of last re-appointment (if applicable)	6 May 2019	6 May 2019	6 May 2019
Age	47	40	49
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. Lew's re-appointment as Executive Chairman and Director of the Company.	Mr. Low's re-appointment as Chief Executive Officer and Executive Director of the Company.	Mr. Tiong's re-appointment as Lead Independent Director.

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
Whether appointment is executive, and if so, the area of responsibility	Executive Mr. Low is responsible for driving the Group's strategic direction and growth, as well as providing mentorship and guidance to the Management.	Executive Mr. Low is responsible for the overall day-to-day management of the Group, including business strategy, online marketplace channel expansion, online sales and technology.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Director	Chief Executive Officer and Executive Director	<ul style="list-style-type: none"> • Lead Independent Director • Remuneration Committee Chairman • Audit Committee Member • Nominating Committee Member
Professional qualifications (if any)	Nil	Nil	<ul style="list-style-type: none"> • Advocate and Solicitor of the Supreme Court of Singapore • Fellow of the Insolvency Practitioners Association of Singapore Limited
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	Nil	Sibling of Mr. Low Yik Sen (Managing Director of the Company).	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
Working experience and occupation(s) during the past 10 years	<p>March 2019 to Present: Executive Chairman and Director, Y Ventures Group Ltd.</p> <p>September 2003 to February 2019: Executive Director, Wong Fong Industries Limited</p>	<p>2007 to Present: CEO and Executive Director, Y Ventures Group Ltd.</p>	<p>1998 to Present: Partner, Allen & Gledhill LLP</p>
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	<p>Deemed Interest: 60,500,000 ordinary shares in the Company.</p>	<p>Direct Interest: 71,115,000 ordinary shares in the Company.</p> <p>Deemed Interest: 2,750,000 ordinary shares in the Company.</p>	<p>Direct Interest: 50,000 ordinary shares in the Company.</p>

Other Principal Commitments including Directorships

Past (for the last 5 years)			
	<ul style="list-style-type: none"> Ascend Venture Pte. Ltd. (<i>Struck off on 9 March 2017</i>) Ascendo Academy Pte. Ltd. (<i>formerly known as Ascendo Consulting Pte. Ltd.</i>) Ascendo International Holdings Pte. Ltd. CE Asia Holdings Pte. Ltd. Vanda Electrics Pte. Ltd. WFVen Pte. Ltd. 	<ul style="list-style-type: none"> Avalon Worldwide Group Ltd (<i>Struck off on 1 May 2020</i>) The Mandarin School Pte. Ltd. (<i>Struck off on 6 November 2017</i>) JustNile Distribution Ltd (<i>Dissolved on 23 February 2021</i>) Fastport Global Freight Pte. Ltd. (<i>Struck off on 6 November 2017</i>) Luminore 8 Pte. Ltd. Faire Holdings Pte. Ltd. JaeJin Pte. Ltd. (<i>Struck off on 4 May 2020</i>) JustNile UK Pte Ltd (<i>Struck off on 13 October 2020</i>) 	Nil

CORPORATE GOVERNANCE REPORT

Name of Directors	Lew Chern Yong	Low Yik Jin	Edward Tiong Yung Suh			
Other Principal Commitments including Directorships (cont'd)						
Past (for the last 5 years) (cont'd)	<ul style="list-style-type: none"> • Wong Fong Academy Pte. Ltd. • Wong Fong Engineering Works (1988) Pte Ltd • WFRIC Shenzhen Co., Ltd 					
Present	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Chimpworld Pte. Ltd. • Chimpworld International Pte. Ltd. • Jimmy Lew Holding Pte. Ltd. • Wong Fong Investments Pte. Ltd. • Wong Fong Industries Limited • LYJ International Pte. Ltd. • Skap Logistics Pte. Ltd. • Skap Waste Management Pte. Ltd. • JustNile Pte. Ltd. • JustNile (SEA) Pte. Ltd. • Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Jaykin Distribution (India) Private Limited • JustNile Pte. Ltd. • JustNile (SEA) Pte. Ltd. • JustNile Holdings • JustNile Inc. • JustNile Malaysia Sdn. Bhd. • LYJ International Pte. Ltd. • Skap Logistics Pte. Ltd. • Skap Waste Management Pte. Ltd. • Y Ventures Inc. • Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Turnaround Management Association Singapore and South East Asia Ltd. </td> </tr> </table>			<ul style="list-style-type: none"> • Chimpworld Pte. Ltd. • Chimpworld International Pte. Ltd. • Jimmy Lew Holding Pte. Ltd. • Wong Fong Investments Pte. Ltd. • Wong Fong Industries Limited • LYJ International Pte. Ltd. • Skap Logistics Pte. Ltd. • Skap Waste Management Pte. Ltd. • JustNile Pte. Ltd. • JustNile (SEA) Pte. Ltd. • Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) 	<ul style="list-style-type: none"> • Jaykin Distribution (India) Private Limited • JustNile Pte. Ltd. • JustNile (SEA) Pte. Ltd. • JustNile Holdings • JustNile Inc. • JustNile Malaysia Sdn. Bhd. • LYJ International Pte. Ltd. • Skap Logistics Pte. Ltd. • Skap Waste Management Pte. Ltd. • Y Ventures Inc. • Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) 	<ul style="list-style-type: none"> • Turnaround Management Association Singapore and South East Asia Ltd.
<ul style="list-style-type: none"> • Chimpworld Pte. Ltd. • Chimpworld International Pte. Ltd. • Jimmy Lew Holding Pte. Ltd. • Wong Fong Investments Pte. Ltd. • Wong Fong Industries Limited • LYJ International Pte. Ltd. • Skap Logistics Pte. Ltd. • Skap Waste Management Pte. Ltd. • JustNile Pte. Ltd. • JustNile (SEA) Pte. Ltd. • Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) 	<ul style="list-style-type: none"> • Jaykin Distribution (India) Private Limited • JustNile Pte. Ltd. • JustNile (SEA) Pte. Ltd. • JustNile Holdings • JustNile Inc. • JustNile Malaysia Sdn. Bhd. • LYJ International Pte. Ltd. • Skap Logistics Pte. Ltd. • Skap Waste Management Pte. Ltd. • Y Ventures Inc. • Y Ventures Lab Pte. Ltd. (formerly known as Evermint Pte. Ltd.) 	<ul style="list-style-type: none"> • Turnaround Management Association Singapore and South East Asia Ltd. 				

CORPORATE GOVERNANCE REPORT

Name of Directors	Lew Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
<p>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.</p>			
(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
(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

CORPORATE GOVERNANCE REPORT

Name of Directors	Lew Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
(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
(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	Lew Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
(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 the explanatory notes set out on page 54 of this Annual Report at 'Corporate Governance Report - Table C' for details.	Yes, please refer to the explanatory notes set out on page 54 of this Annual Report at 'Corporate Governance Report - Table C' for details.	Yes, please refer to the explanatory notes set out on page 54 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
(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 also refer to item (j)(i) above.	Please also refer to item (j)(i) above.	Please also refer to item (j)(i) above.

CORPORATE GOVERNANCE REPORT

Name of Directors	Low Chern Yong	Low Yik Jin	Edward Tiong Yung Suh
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:

On 12 March 2019, the Company had appointed an external professional firm, 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 Catalist Rules by the Company, its directors and/or key executive officers as highlighted in the Independent Review Report (the "**SGX RegCo Investigation**").

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 FY2020.

(a) Remuneration of Directors of the Company

Name of Director	Salary* (%)	Bonus# (%)	Directors' Fees (%)	Allowance and other benefits (%)	Total (%)
Above S\$250,000, below S\$500,000					
Low Chern Yong	84	16	-	-	100
Low Yik Sen	84	16	-	-	100
Low Yik Jin	84	16	-	-	100
Below S\$250,000					
Edward Tiong Yung Suh	-	-	100	-	100
Ng Tiong Gee	-	-	100	-	100
Goh Cher Shua	-	-	100	-	100
Tan Jia Kien	-	-	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.

CORPORATE GOVERNANCE REPORT

(b) Remuneration of Key Management Personnel

Name of Key Management Personnel	Salary* (%)	Bonus* (%)	Directors' Fees (%)	Allowance and other benefits (%)	Total (%)
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Below S\$250,000

Ms. Goh Lay Lan ⁽¹⁾	96	4	-	-	100
Ms. Lam May Yih ⁽²⁾	85	15	-	-	100
Ms. Lim Poh Lian ⁽³⁾	93	7	-	-	100
Mr. Lim Li Jie ⁽⁴⁾	92	8	-	-	100

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

(1) Ms. Goh Lay Lan resigned as Financial Controller of the Company on 18 May 2020.

(2) Ms. Lam May Yih was appointed as Chief Financial Officer of the Company on 9 May 2020.

(3) Ms. Lim Poh Lian ceased to be an Executive Officer on 1 October 2020.

(4) Mr. Lim Li Jie ceased to be an Executive Officer on 1 October 2020.

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 FY2020.

No shares have been issued under the Company's performance share plan during FY2020. Please refer to the disclosure under Provision 8.3 of the Code for more details.

(c) Remuneration of employee related to Director or CEO

Mr. Sean Goh Hong Yi's remuneration exceeded S\$100,000 but was less than S\$250,000 in FY2020. He is the son of Mr. Goh Cher Shua (Independent Director and Audit Committee Chairman). Please refer to the voluntary disclosures under Provision 2.1 of the Code for more details.

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 2020 ("**FY2020**"), which outlines our commitment to creating a long-term sustainable future. This commitment drives us to do business in a sustainable fashion as we strive to integrate sustainability into our daily operations.

Collaboration and continuous support from our internal and external stakeholders are required to ensure the success of our sustainability journey. In this report, stakeholders can find disclosures on our sustainability efforts, progress and 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 has taken up the responsibility of overseeing the management and monitoring of the material Environment, Social and Governance ("**ESG**") factors and initiatives. The Board has carefully considered the sustainability topics as part of its strategy formulation and determined the material ESG factors that are critical to the Group. The accomplishment of our sustainability journey requires ceaseless effort and we are confident that together with our stakeholders, we are able to achieve greater sustainability in our operations.

Looking Forward

In this ever-changing competitive landscape, foresight, adaptability and resilience are crucial in sustaining peak performance. To sharpen our business acumen and to successfully position ourselves ahead of our competitors, we continually take reference from the Enterprise Risk Management assessment conducted in order to be conscious of the key risks that may affect Group's ability to achieve our objectives. Through actively monitoring of potential risk factors, we aim to anticipate change more effectively and develop appropriate courses of action to better manage them.

Our Path to Sustainability

Employees are sent to courses organised by various schools and institutions for training and development. The Group also strongly embraces the cause of creating a culture of literacy as an empowerment for the next generation and is a donor of "Books for Africa", an organisation which has a vision to end book famine in Africa.

As an ardent supporter of environmental friendliness, the Group is committed to environmental conservational efforts with our subsidiary, Skap Waste Management Pte. Ltd. ("**Skap Waste**") under "**Junk To Clear**", a waste management services company actively supporting the environmental cause of reduce, reuse and recycle in Singapore. As at the end of FY2020, we have recycled a total of 1,508 kg of metallic materials.

Acknowledgement

The success of our sustainability journey requires collaboration and continued efforts from all stakeholders. We would like to express our gratitude towards the management and staff for their boundless support and commitment to our sustainability goals. We aim to 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 (Stock Code - SGX:1F1).

All data and activities reported in this report covers the period of 1 January 2020 to 31 December 2020, in line with this annual report, unless stated otherwise. The report has been prepared in accordance with 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 FY2020 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.

2020 OVERVIEW



4th
year of
reporting



305
books donated to
“Books For Africa”
in FY2020

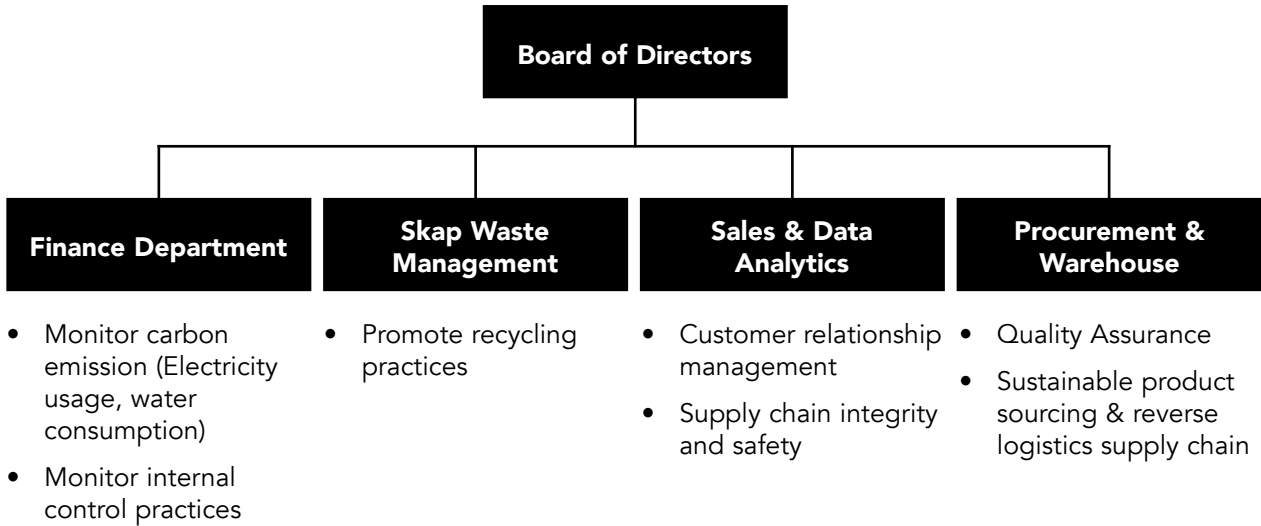


7,183
man-hours invested
in training our
employees

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 Committee shall oversee and provide input to management on Company's policies, strategies, and programs related to matters of Sustainability and Corporate Social Responsibilities.



Performance Goals & Feedback

The Committee shall set and review goals establish for its sustainability performance. The Committee will conduct periodic dialogues to engage key stakeholders on the Company's business activities and performance.



Reporting and Disclosure

The Committee shall review sustainability and corporate responsibility reports issued from time to time by the Company.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of stakeholder engagement and believes that fostering relationships with stakeholders and communication is imperative to the success of our organisation. The Group therefore strives to work closely with our key stakeholders and seek to understand their viewpoints.

The following table summarises the various stakeholder engagement activities, the key concerns of stakeholders, and our commitments to sustainability to address those key stakeholder concerns.

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

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"> Establishing and nurturing 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 Generating long-term sustainable returns
Government/ National Agencies	Sustainability report	Annual	<ul style="list-style-type: none"> Stakeholder programs to advocate greener operator behaviour 	<ul style="list-style-type: none"> Strict compliance with relevant laws and regulations
	Government training workshops, regulatory meetings	Ad-hoc	<ul style="list-style-type: none"> Providing training and skill-upgrading Opportunity to recruit new talent to be part of the team 	<ul style="list-style-type: none"> Encouraging life-long learning for mid-career change and skill-upgrading
	Attending trade conferences	Ad-hoc		<ul style="list-style-type: none"> Understand and support initiatives by the government
The Community	Sustainability report	Annual	<ul style="list-style-type: none"> Advocating sustainable practices 	<ul style="list-style-type: none"> Mitigate impacts on community
	Charitable activities	Ad-hoc	<ul style="list-style-type: none"> Contributing back to society through donation of well-condition furniture 	<ul style="list-style-type: none"> Provide support for local initiatives
	Internships	Annual	<ul style="list-style-type: none"> Providing an insight for students into the e-commerce industry 	<ul style="list-style-type: none"> Contribute to environmental cause through increase in recycling efforts
Customers	Feedback channel through online marketplace operators	Perpetual	<ul style="list-style-type: none"> Ensuring consistency in quality of merchandises sold to customers 	<ul style="list-style-type: none"> Generating long-term sustainable returns through customer confidence for Group's high standards of products
	Quality assurance inspections	Perpetual	<ul style="list-style-type: none"> Create a connection with customers 	

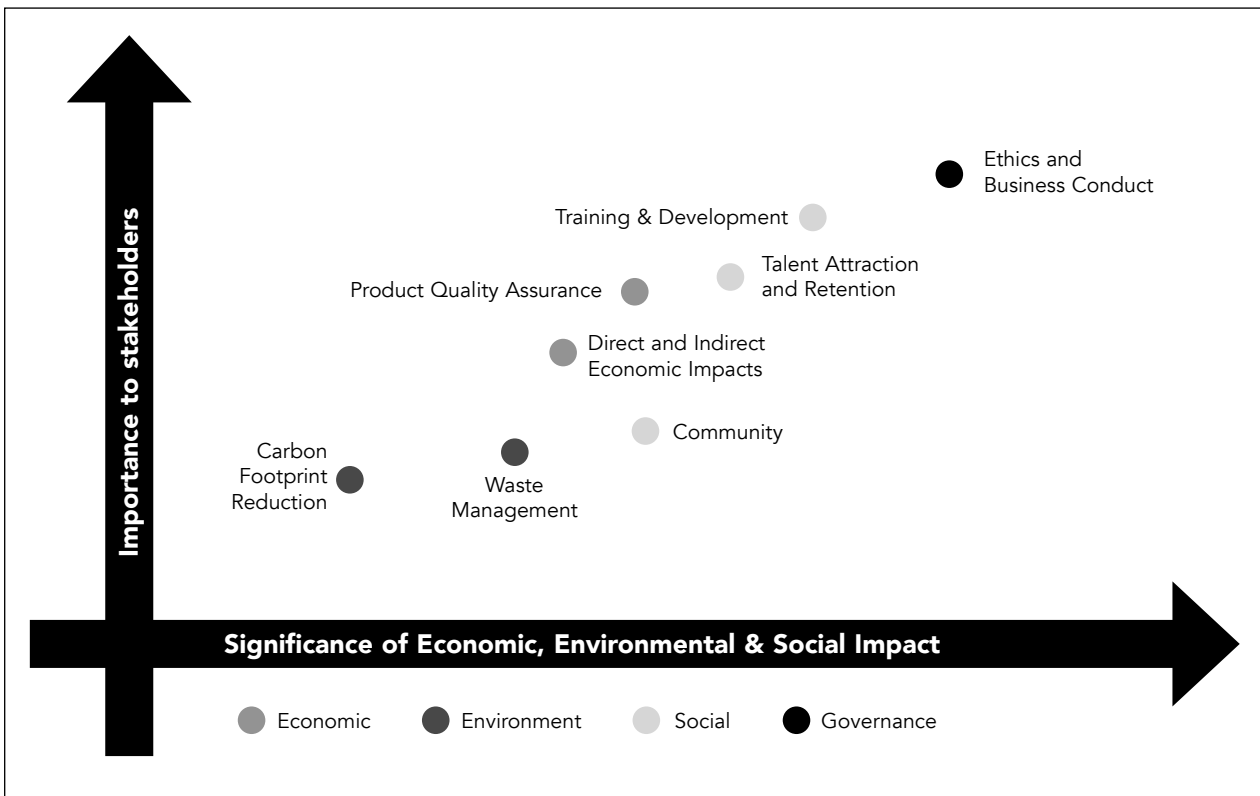
SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Through various engagement sessions involving the Management and Executives, we have considered and assessed the topics that the Group as a whole and its stakeholders are concerned about, as well as those that can potentially impact the long-term sustainability of our business. Our approach to materiality assessment follows the reporting principles of:

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

Y Ventures’ material topics are derived from the materiality matrix. In accordance to the reporting principles, we take into account the materiality topic’s influence on stakeholders’ decisions as well as the significance of the topic’s impact to **Economic, Environmental, Social** and **Governance** factors. The material topics are ranked in the materiality matrix and are further discussed in the subsequent pages of the report.



SUSTAINABILITY REPORT

MATERIALITY TOPIC – 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 matrix 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 are we 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 company. Therefore, we are committed to building a positive corporate image through exemplary corporate governance and business ethics.	We have zero tolerance towards corruption and fraud. Our employees are constantly reminded to make disclosures in event of conflicted duties or interest.
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.	Product quality is our top priority and we are committed to uphold high product quality on all our merchandises through detailed quality control inspections. External product quality inspectors are also engaged whenever necessary. Our online store received 98% positive review in the last 12 months as at 31 December 2020. With regular monitoring of customer feedback on our channels, we strive to ensure our product traits matches customer demand and market fit to the customer segment.

SUSTAINABILITY REPORT

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 strive to have a long-term economic value creation for our stakeholders by building a sustainable business model and brand. Please refer to page 4 to 5 of our Annual Report for FY2020 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.

We are committed to recruiting employees based on merit. We work closely with academic institutions to shortlist talents who can provide value-add to our Group.

Our commitment to talent retention and development provides growth opportunities for workers.

Employees are given 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.

In FY2020, our employees completed 7,183 man-hours of training. We sent our employees to professional courses hosted by different training providers. We believe employees can gain professional insights and transferable skills to our company.

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 work closely with tertiary institutes, especially polytechnics, to offer e-commerce data analytics internship for students. For FY2020, we established a training course in collaboration with SG United to provide job skills upgrading for in-demand digital marketing and e-commerce skills.

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 seeking an optimal solution to minimise unnecessary waste disposal through our recycling efforts.

This initiative allows us to contribute to society while improving our cost of operation.

Carbon footprint reduction

We recognise that investing in energy conservation not only reduces our carbon footprint but also makes business sense in cost savings.

We place great emphasis on reducing our carbon footprint in our business operations. We monitor our electricity consumption of warehouse closely and we also ensure that lights are turned off after working hours.

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.

SUSTAINABILITY REPORT

GOVERNANCE

We strive to uphold our reputation and foster stakeholders' trust in our business as we believe that these factors are imperative to the Group's sustainability and development. The Group believes that good governance practices are crucial in building a sound corporation with an ethical environment, thereby protecting the interests of all stakeholders. As such, the Board and Management are committed to continually enhance our stakeholders' value by observing a high standard of corporate governance and commitment at all levels, reinforced by strong internal controls. The Group continues to keep abreast of any latest changes in legal and regulatory requirements in the jurisdictions that we operate in to ensure that our Group is always in compliance.

The Group is also 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**

Committed to achieving a high standard of corporate governance, the Group adheres to the principles and guidelines of the Code of Corporate Governance 2018. Additionally, the Board recognises the significance of good corporate governance and have implemented a committee structure that enables separation of duties and segregation of responsibilities to focus on critical functions. The Board and Senior Management is also dedicated to conducting business with integrity consistently, setting the tone at the top.

In order to assist in the execution of the Board's responsibilities, the Board has set up 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. For more information regarding the Group's Corporate Governance framework, please refer to the Corporate Governance Report in the Annual Report for FY2020, pages 10 to 55.

Employees Code of Conduct

We adopt a strict zero-tolerance policy against fraud, corruption and unethical actions. Our employees are expected to adhere to the Employee Code of Conduct shared with them as part of the Employee Handbook, which demonstrates the expectations we have to operate in a way that protects the interests of our stakeholders. Employees who engage in any misconduct or whose actions are not in compliance with the Code of Conduct may be subject to disciplinary actions, including immediate dismissal.

Additionally, the Group has also institutionalised a conflict of interest policy which defines situations whereby our employees may put themselves in a position that conflict his/ her responsibility towards our Group. All our employees are required to declare their conflicted interests on an annual basis.

In FY2020, there were no cases of corruption or non-compliances with our Code of Conduct and conflict of interest policy.

Whistle Blowing

The Group's whistleblowing policy provides an avenue for employees to raise concerns regarding possible malpractice or improprieties in any matter. Under this policy, employees may report in good faith of suspected reportable conduct to the Chairman of the AC. An investigation process is in place and will be overseen by the Audit Committee.

All disclosures will be treated in a confidential manner, protecting the identity of the employee that made the disclosure so as to encourage employees to report any suspicious activities without fear of reprisal. Procedures are also in place to ensure that all matters are carefully handled and investigated, before outcomes are communicated to the whistle-blower. In FY2020, there are no cases of whistleblowing incidents.

SUSTAINABILITY REPORT

(b) **ENTERPRISE RISK MANAGEMENT**

Enterprise Risk Management (“**ERM**”) is a process put in place by the Board and Management to identify and address key risks and events arising from the management and business operations, and to manage them within its risk appetite. In order to succeed in today’s ever-changing business landscape, it is crucial to identify, measure, prioritise and respond to the risks that may potentially prevent the Group from achieving its strategic objectives. We understand the significance of evaluating overall business risks and operating controls based on the AS/NZS ISO 31000:2009, Risk Management – Principles and Guidelines, constantly refining it to ensure that it remains relevant in our operating environment.

The Company has an ERM Framework in place for the Group to safeguard shareholders’ investments and Company’s assets. The ERM report seeks to identify our key business risks associated with the Group’s strategic objectives. ERM further provides us with an assessment of our current standing in the market and outlook of the overall e-commerce industry.

By working closely with our stakeholders and consistent monitoring, we will actively assess our risks and review our risk management system, ensuring our capability to manage and respond to new threats remains adequate and effective.

In FY2020, we engaged an external consultant, Yang Lee & Associates, to conduct a risk assessment exercise for the Group, to facilitate the identification and ranking of risks, identification of control activities and risk treatment plans, and reporting to the Board.

(c) **REGULATORY COMPLIANCE**

Ensuring that the Group is in compliance with the relevant rules and regulations is paramount to the Group’s integrity and ability to foster trust among stakeholders. As a responsible organisation listed on the Catalyst Board of the SGX-ST, we seek to comply with all relevant laws and regulations including the Catalyst 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 FY2020.

MOVING FORWARD

The Group remains accountable to our stakeholders and will provide updates should there be any material developments in relation to the ongoing independent review of the previously announced financial misstatements. We are determined to reinforce our commitment towards governance and address any internal control lapses in our Group and strive to gain back and build up our stakeholders’ trust in us.

We seek to ensure that risks are periodically assessed and managed at an adequate level in line with our Group’s risk appetite. Internal controls will also be assessed to ensure that our controls remain effective in adding value and improve our 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	
Target	Action Plans
Maintain zero instances of non-compliance and/or regulatory breaches (perpetual target)	Ensure 100% compliance to all relevant regulatory requirements in the jurisdictions that we operate in
Maintain zero incidents of bribery or corruptions (perpetual target)	Maintain a zero-tolerance attitude towards corruption and fraud

SUSTAINABILITY REPORT

ECONOMIC

Through the remodelling of our purchasing and delivery functions, the Group strives to employ a sustainable way of doing business in order to create long term value for our stakeholders. The Group seeks to enhance our financial position by capitalising on our strengths and streamlining our operations as a means to value creation.

On 19 November 2020, our 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 on digital marketing and e-commerce to adults for job skills upgrading through online platforms. This allows the Group 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.

We believe that in addition to having a sound corporate governance policies and practices, regular communication with our various stakeholders will also be vital in driving long-term sustainable growth and shareholder value.

(a) **FINANCIAL PERFORMANCE**

The Group reported a revenue of approximately US\$35.0 million in FY2020 as compared to approximately US\$24.7 million in the FY2019. The increase in revenue earned in FY2020 is mainly attributed to the increase in the sales of books on online marketplaces.

The Group's efforts to streamline its operations and improve overall cost efficiency resulted in substantial savings in administrative expenses in FY2020. The Group reported a reduction of its administrative expenses from US\$4.3 million in FY2019 to US\$3.6 million in FY2020. For more information regarding the Group's financial performance, please refer to the Group's Annual Report for FY2020, pages 4 to 5.

(b) **PRODUCT QUALITY**

As a responsible e-commerce retailer and distributor, product quality and timeliness of delivery is of utmost importance in fostering trust in customers. The Group hence works closely with our suppliers and its partners, such as third-party warehouses managed by various third-party logistics companies, in order to ensure that our merchandises are of good quality and will be delivered to our customers within the scheduled time. As we have established cordial relationships with our suppliers and partners, the Group does not foresee that we will face difficulties in providing quality goods and services to our customers and that we will be able to provide the continuous stream of diverse book selections to our customers.

As at 31 December 2020, based on the online store review at Amazon, the Group has achieved 98% positive feedback from its customers for the preceding 12 months. The Group acknowledges that the main bulk of negative feedback arose due to minor defects experienced by the customer. We will continue to take into consideration negative feedback received and seek improvements to strengthen our customer experience and boost customer's satisfaction.

MOVING FORWARD

Competition continues to be intense from emerging players on e-commerce platform and local retailers with brick-and-mortar shops. With sustainable growth remaining as our top priority, the Group shall continue to strengthen our core competencies and focus on building relationships with our publishers.

The COVID-19 pandemic has also brought about new challenges for the industry and has impacted the global economy significantly. While the Group continues to maintain its position within the retail industry, we understand the importance in staying vigilant and will continue to monitor the impact of the pandemic on our operations. We also acknowledge that this pandemic may also bring out new opportunities and the Group has positioned itself to identify these opportunities and react accordingly.

SUSTAINABILITY REPORT

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

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 also endeavour to bring about a positive contribution to the communities we operate in through our business activities and initiatives.

(a) OUR EMPLOYEES

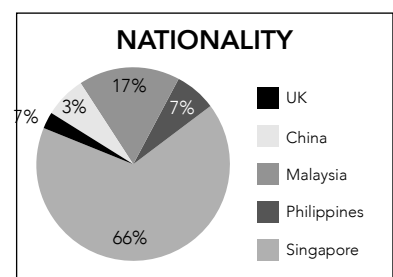
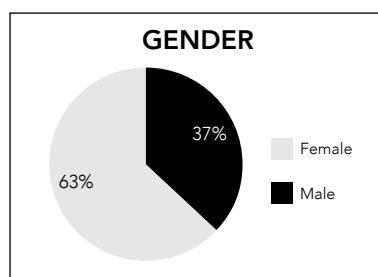
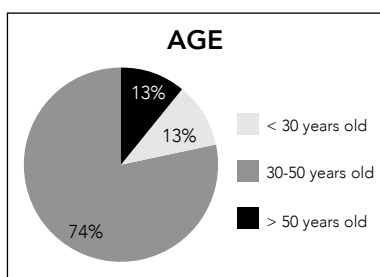
Promoting Diversity and Equal Opportunity

Against the backdrop of today's dynamic environment, Y Ventures believes that a diversified team with different experience, age groups, backgrounds and skill-sets is critical in bringing forth broader and more enriching perspectives to the workplace. This is imperative for us in building a diverse pool of talents and expertise to develop innovative solutions, which in turn allows us to match the evolving needs of our customers and strengthen our business.

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. In embracing diversity and showing our commitment to uphold equality and inclusiveness in the workplace, the Employee Handbook was 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.

To foster diversity and inclusion within our company, we focus on recruitment, development and retention. Y Ventures identifies talent internally and externally to build bench strength as well as talent pipeline for leadership succession planning. This is achieved through partnership with a network of local and overseas universities to identify prospective candidates through careful analysis of knowledge, competency, attitude and cultural fit who can provide value to our Group. Apart from fresh graduates, Y Ventures also employs experienced and mid-career professionals as well as industry veterans. We are also committed to fair-pay practices and developing employment packages that are unique for each individual employee and catered 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 2020, we have 30 employees. The employee turnover rate for FY2020 was 38%. During the year, the Group onboarded eight (8) new employees to contribute with experience and competency in areas such as industry knowledge, finance and risk management, among which, six (6) were female, providing gender diversity. The following diagrams highlights our employee demographic as at 31 December 2020.



SUSTAINABILITY REPORT

Performance Review

We believe that an open appraisal system will encourage a greater ownership of roles, which provides opportunities for employees to hone their strengths for future growth and thus maximising our productivity and performance.

This underscores why we have developed and adopted the “Open-Communication Culture” for our employees, through which they discuss and agree on targets for the next fiscal year as well as their personal and career development goals with their supervisors. Additionally, all full-time employees undergo an annual performance review where there is an open discussion on the employee’s performance, areas for improvement, developmental needs and career planning. The Group rewards and motivates employees with comprehensive and competitive compensation and benefits programmes to encourage competitiveness and ensure business targets are met.

Occupational Health and Safety

The occupational health and safety of our employees is of utmost importance to Y Ventures as we believe that environmental stressors and hazards may affect the well-being of people in the workplace and can impact staff productivity and morale.

Beyond ensuring compliance with regulations such as the Workplace Safety and Health Act and COVID-19 related movement restrictions, we seek to proactively minimise health and safety risks. Throughout the COVID-19 pandemic, Y Ventures has consistently followed and responded in a timely manner to updates by the local authorities, including adhering to the recommended safe management measures such as remote working arrangements and 1-metre physical distancing within office spaces to mitigate the risk of infection. The human resource department has also disseminated corporate circulars on the COVID-19 pandemic as well as medical and travel advisories to ensure that the work-life balance, flexibility in working arrangements and health concerns of staff are adequately addressed. We have also ensured that all employees are covered under a comprehensive insurance package, including outpatient and hospitalisation care.

As a measure of our prudent occupational health and safety management practices, Y Ventures has been able to prevent COVID-19 infections within the Group. Building on our form of good occupational health and safety practices, Y Ventures is pleased to announce that it has also continued to meet its target of zero workplace incidents in FY2020.

Training and Development

As people are our leading asset, our learning and development roadmap focuses on cultivating functional and core competencies in our people. We recognise the need to constantly upgrade and develop our employees to maintain a competitive advantage, motivate employees in the face of constant challenges and retain talent. Accordingly, Y Ventures targets to provide the necessary training to meet the needs of our employees’ professional function and development through orientation programmes for new team members and training programmes to empower and engage individuals in upskilling.

This roadmap is constantly reviewed and enhanced to ensure its continued relevance and suitability in a dynamic and digital world, even with the COVID-19 pandemic. In FY2020, our employees have enrolled in numerous training course including data science programmes using Python, innovation workshops for entrepreneurs and financial reporting courses to enhance our competitive advantage in data analytics. In total, we have clocked 7,183 man-hours in training.

SUSTAINABILITY REPORT

Building Communities

In light of the disruptions brought about by the pandemic, the Group has embraced its civic duty in cultivating resilience amongst those that have had their livelihood displaced by the COVID-19 pandemic through initiating a training service collaboration agreement between our subsidiary, YV Lab and YP Academy.

We tap into expertise within our business operations, to provide courses on digital marketing and e-commerce to adults for job skills upgrading through online platforms. The Group recognises that working responsibly includes striving to create positive impacts on the communities it operates in. As such, the community development initiative is a significant way Y Ventures contributes back to society as we 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. With training study materials, trainers, and qualified mentors available to conduct selected training modules, YV Lab has received overwhelming responses to enrol into the training courses jointly provided by YV Lab and YP Academy. In total, more than 598 individuals have embarked on the online courses to be equipped with in-demand marketing skills.

Investing in Leadership

Y Ventures believes in the appointment of qualified and experienced professionals to helm the Group's key leadership positions and ensure the long-term business continuity that in turn creates stability in the markets in which the Group operates. Therefore, incumbent leaders are trained to actively identify and groom promising employees for future leadership positions.

In order to better manage and monitor the career development of our talents, a mentorship programme was set up, with leadership training provided for the high performing employees. At the same time, we strive to provide equal and fair growth opportunities for all our employees. Therefore, we have a dedicated new hires programme stewarded by the heads of departments to help new employees assimilate into the organisation. It includes various workshops to familiarise them with the Group's businesses, core values and functions of different departments. Employees are given greater roles and responsibilities which are closely guided and reviewed by their mentor so as to allow for easier assessment of their potential and to grow within their current roles.

Flexi-Working Arrangements

At Y Ventures, we believe that visibility and alignment of corporate and personal goals help team members to increase their interest and commitment to the sustained success of the Group. We are of the view that initiatives addressing work-life balance and flexibility in working arrangements should be provided whenever possible as they help contribute to a conducive and supportive work environment for employees.

Y Ventures offers flexi-working arrangements to its employees in the form of flexible working hours and work-from-home arrangements to ensure team members' wellness and improve employee satisfaction. This has allowed us to attract, motivate and retain our valued employees as we are committed to help employees balance their work and personal lives better with these flexi-working arrangements.

Furthermore, the provision of additional leave days and flexible working arrangements allow team members to concentrate on personal commitments when needed. All qualifying team members are entitled to take parental/maternity leave comfortably with assurance over their job security.

Internships

Since 2015, we have provided industrial exposure opportunities to students from various tertiary institutions as we believe that students will benefit tremendously from the scholarships offered and the invaluable mentorship gained through internship programmes provided. Adding vibrant, motivated and qualified workforce has also helped to give the Group a competitive edge.

Across the years, we have partnered with most local universities to provide three to six months of internship opportunities to draw talented students from the field of Business and Information Technology.

SUSTAINABILITY REPORT

(b) OUR COMMUNITY

Books for Africa

Community engagement is also at the heart of Y Ventures' sustainability strategy. Although our key stakeholders include employees, customers, business associates and the local community, we aim to bring sustainable value to other groups such as regulators and key government agencies and non-governmental organisations (NGOs). At Y Ventures, we are committed to playing a part in ending the cycle of poverty and helping underprivileged children attain a better quality of life than previous generations. Hence, we resonate with the Books for Africa's view that every child deserves an opportunity to have access to education. In our efforts to endorse their endeavours to provide means for a strong educational system to cultivate the next generation of leaders, Y Ventures has supported Books for Africa's initiatives to facilitate underprivileged children's access to books since FY2017.

During FY2020, we contributed a total of 305 books to Books for Africa. We hope that the books donated would help create a culture of literacy and provide the tools of empowerment to the children in Africa.

Professional Conversion Programmes

In FY2020, we have participated in the Workforce Singapore's Professional Conversion Programme ("PCP"). It is a career conversion programme targeted at Professionals, Managers, Executives and Technicians (PMETs), including mid-career switchers, to undergo skills conversions and move into new occupations or sectors that have good prospects and opportunities for progression. There are two types of programmes under the PCP:

- **Place-and-Train:** Individuals are hired by a participating employer before undergoing training to take on a new role.
- **Attach-and-Train:** Individuals are provided with training and work attachments, in advance of a job placements, through industry partners.

We are pleased to say that in FY2020, we have 15 individuals under Place-and-Train programme. In 2020, there are approximately 6,857 training hours dedicated to providing the individuals a career switch opportunity and the necessary training they require. We will ensure that our training caters to the needs of each individual so as to better prepare them for their new roles.

MOVING FORWARD

Guided by our beliefs and our commitment, we have actively sought to align our business strategies, policies and practices with our sustainability objectives. Our sustainability approach remains focused on value creation for all our stakeholders. The multi-faceted approach to sustainability we have adopted has enabled us to support in community development and activities; show compassion and care for the underprivileged in society and give back to the community. We aim to provide more opportunities for development in our employees' personal growth and build on existing partnerships for events and programmes to expand our reach to local communities. We are confident that our continued efforts will have an impact on overcoming society's sustainability challenges of today and tomorrow.

Social Targets	
Target	Action Plans
To nurture a diverse, competent and dedicated talent pool that will create value and growth for the Group (perpetual target)	Reward employees fairly based on their ability, performance, contribution and experience
To achieve an average training hour of 20 hours per employee (FY2021 target)	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 make a difference to the well-being of the community through involvement in community development programmes (FY2021 target)	Provide employees with opportunities to give back to society and use our skills to generate awareness for social causes

SUSTAINABILITY REPORT

ENVIRONMENT

For the past few decades, environmental degradation has been exacerbating at an alarming rate and Y Ventures believes that conservational efforts are of paramount importance. With our utmost commitment, we strive towards building a sustainable business through environmentally friendly measures and reducing environmental impacts caused by Y Ventures and our services, including waste generation and all forms of pollution. We are devoted to be a service provider that empowers our stakeholders and customers to minimise their environmental impacts.

With the global climate crisis on the rise, this urgently calls for collective and integrated actions of every stakeholder on planet Earth, and this transforms the way we do business significantly.

(a) **CARBON FOOTPRINT REDUCTION**

Corporate social responsibility has shaped us to be conscientious in conserving the environment, and the Group is committed to creating sustainable live-work environments of enduring value. Although electricity consumption is monitored by the property manager, Y Ventures believes that it can still play its part by adopting greener practices and initiatives to reduce the collective environmental impact over the long term. We have taken active steps to reduce our energy usage through installing temperature sensors, fitting energy efficient LED lights throughout the office usage to optimise savings and operate printers which have built-in systems to monitor energy. We achieved our goal to participate in Earth Hour 2020 and we aim to continue this good practice to raise awareness for environmental conservation and participate in Earth Hour 2021.

We continue to monitor the electricity usage of our warehouse as we believe that small changes in our electricity usage can make a big difference.

Electricity usage (kWH)	FY2020 ⁽²⁾	FY2019 ⁽¹⁾
Warehouse	10,641	10,278

Notes:

- (1) Electricity usage for warehouse for FY 2019 was approximately calculated from January to December 2019
 (2) Electricity usage for warehouse for FY 2020 was approximately calculated from January to December 2020

We aim to be an environmentally conscious firm and will continue to strive to contribute to Singapore's initiative in building a green commercial landscape. Environmentally-friendly tips are shared with employees regularly, and signs and stickers are displayed prominently to remind users to switch off lights and computers when not in use. Such measures help Y Ventures to conserve energy and meet our environmental targets such as improving energy efficiency and reducing carbon emissions.

(b) **WASTE MANAGEMENT**

Y Ventures aims to manage waste at its properties responsibly. One way to be environmentally friendly is to scale back on paper usage. This includes default settings for double-sided and black and white printing, encouraging the use of e-mails, e-fax and promoting a "think before you print/copy" attitude to encourage employees to use less paper. Recycling bins (including secured bins) are conveniently located at corporate offices to encourage employees to recycle used paper while work processes are increasingly made available online to avoid paper consumption.

We strive to be a good corporate citizen by continually improving our environmental performance and encouraging the development and diffusion of environmentally friendly technologies. With the advent of technology, our customers are now able to utilise online platforms to obtain quotations and for respective service request which results to greater savings in energy consumption. As an incentive for existing customers, a 5% discount is given for online quotation service users. This is achieved by simply submitting an online form and snapping a photo of the items to be disposed. Y Ventures has taken active steps to reinforce the national drive towards greater energy efficiency by streamlining and coordinating energy efficiency-related activities. In accordance with this, all employees are able to readily access data in digital formats without the need for them to be printed out.

SUSTAINABILITY REPORT

Skap Waste, a subsidiary of Y Ventures, has also established itself as a leading waste management and bulky waste disposal company in Singapore since its inception in 2009. Skap Waste attests that economic growth can be developed in conjunction with environmental conservation efforts. Waste management service holds great potential in light of critical global climate change and unbridled consumeristic culture of today's age. Skap Waste resonates with the core philosophy of "Reduce, Reuse and Recycle" and has endeavoured to transform trash into "treasure" by creating economic value for waste which would have otherwise been thrown away. For FY2020, a total of 1,508 kg of metallic scrap material were sent for recycling.

MOVING FORWARD

Sustainable environmental management practices are vital in helping Singapore conserve resources for productive uses and continued economic growth. Y Ventures believes that it has to play its part by adopting greener practices and initiatives to reduce the collective environmental impact over the long term. Strong governance structure and due consideration for the broader economic and business environment in Singapore are all key to the execution of this strategy. Moving forward, we will continue to take active steps in the monitoring of electricity and water usage within our premises and switch off air conditioner after work every working week day. We anticipate that there will be increasingly high expectations for Y Ventures to make positive contributions to the environment, therefore we intend to continuously update and integrate our sustainability initiatives into our daily operations. We will stay committed in playing an active role in environmental conservation as such values not only ensure effective waste management in our properties, but also encourage individuals to act as change agents in the community.

Environmental Targets	
Target	Action Plans
To reduce energy consumption by 5% (FY2021 target)	To encourage environmentally sustainable habits for employees to adopt
To recycle 2,000 kg of metallic scrap materials (FY2021 target)	To comply with local environmental regulations and encourage stakeholder engagement

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	Annual Report- 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	Annual Report- Corporate Profile, Shareholder statistics (page 138)
	102-6	Markets served	Annual Report- Corporate Profile (page 2)
	102-7	Scale of the organization	Annual Report- Financial Review (page 4)
	102-8	Information on employees and other workers	Sustainability Report- Social (page 56)
	102-9	Supply chain	Annual Report- Corporate Profile (page 2)
	102-10	Significant changes to the organization and its supply chain	Annual Report- Corporate Profile, Financial Review (page 4)
	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's Statement (page 56)	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Sustainability Report- Governance (page 64)	
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 (page 59)	
102-22	Composition of the highest governance body and its committee	Annual Report- Corporate Governance Report- Board Matters (page 10)	
102-23	Chair of the highest governance body	Annual Report- Corporate Governance Report- Board Matters (page 10)	
102-24	Nominating and selecting the highest governance body	Annual Report- Corporate Governance Report- Board Matters (page 10)	
102-25	Conflicts of interest	Annual Report- Corporate Governance Report- Additional Matters- Dealing with conflict of interest (page 10) Sustainability Report- Governance (page 64)	
Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability Report- Stakeholder Engagement (page 59)	
102-41	Collective bargaining agreements	None of our employees have joined trade union	
102-42	Identifying and selecting stakeholders	Sustainability Report- Stakeholder Engagement (page 59)	
102-43	Approach to stakeholder engagement	Sustainability Report- Stakeholder Engagement (page 59)	
102-44	Key topics and concerns raised	Sustainability Report- Stakeholder Engagement (page 59)	

SUSTAINABILITY REPORT

GRI Standard	Disclosure Number & Title	Page Reference & Remarks	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Annual Report- Financial Review (page 4)	
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 (page 62)	
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 2019 (FY2019 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 (page 73)	
102-56	External assurance	Y Ventures has not sought external assurance for this sustainability report	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Business ethics and anti-corruption Product quality assurance Direct and indirect economic impact
	103-2	The management approach and its components	Talent attraction and retention Training and development Community
	103-3	Evaluation of the management approach	Waste management Carbon footprint reduction (pages 71 to 72)
GOVERNANCE – BUSINESS ETHICS AND ANTI-CORRUPTION			
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report- Governance (page 64)
ECONOMIC – PRODUCT QUALITY ASSURANCE			
-	-	Customer satisfaction level	Sustainability Report- Economic- Product Quality (page 66)
ECONOMIC – DIRECT AND INDIRECT ECONOMIC IMPACT			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report- Financials (page 75)
SOCIAL – TALENT ATTRACTION AND RETENTION			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report- Social- Our Employees (page 67)
	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- Our Employees (page 67)
SOCIAL – COMMUNITY			
-	-	Contribution of books to Books for Africa	Sustainability Report- Social- Our Community (page 70)
ENVIRONMENTAL – WASTE MANAGEMENT			
-	-	Weight of metallic waste recycled	Sustainability Report- Environment- Waste Management (page 71)
ENVIRONMENTAL – CARBON FOOTPRINT REDUCTION			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainability Report- Environment- Carbon Footprint Reduction (page 71)

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 subsidiary corporations (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

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 83 to 137 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 2020 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, Chapter 50 (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
Goh Cher Shua
Tan Jia Kien

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 1.1.2020	At 31.12.2020	At 1.1.2020	At 31.12.2020
The Company				
Low Yik Sen	–	–	53,365,000	53,365,000 ⁽¹⁾
Low Yik Jin	71,115,000	71,115,000	2,750,000	2,750,000 ⁽²⁾
Edward Tiong Yung Suh	50,000	50,000	–	–
Ng Tiong Gee	–	–	100,000	100,000 ⁽³⁾
Lew Chern Yong	–	–	20,500,000	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 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 1.1.2020	At 31.12.2020
Ordinary share with par value of US\$1.00 each JustNile Holdings	222,261	222,261
Ordinary share with par value of US\$1.00 each JustNile Distribution Ltd.	30,000	30,000
Ordinary share with par value of US\$0.01 each JustNile Inc	900	900
Ordinary share with no par value JustNile International Corp <i>(dissolved on 21 January 2021)</i>	1,800,000	1,800,000
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 2021 were the same as those as at 31 December 2020 except for JustNile International Corp which was dissolved on 21 January 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. Goh Cher Shua, Mr. Ng Tiong Gee and Mr. Tan Jia Kien.

No performance shares have been awarded pursuant to the PSP during the year.

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:

Goh Cher Shua (Chairman)
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 2020 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 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

3 April 2021

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 83 to 137, which comprise the statements of financial position of the Group and of the Company as at 31 December 2020, 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, Chapter 50 (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 2020, 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.

Emphasis of Matter

We draw attention to Note 30 to the financial statements which described the Independent Review report and Singapore Exchange Regulation's ("SGX RegCo") Regulatory Announcement on the Independent Review report dated 16 March 2021.

Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Emphasis of Matter* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

To the Members of Y Ventures Group Ltd.

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

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

Refer to Notes 2(j) and 17 to the financial statements.

The key audit matter:

The Group's inventories totalled US\$22,115,681 (2019: US\$22,007,020) which accounted for 84% (2019: 84%) of the Group's total assets as at 31 December 2020. As disclosed in Note 2(j) to the financial statements, inventories are stated at the lower of cost and net realisable value. Management identified the slow-moving and obsolete inventories, also estimates the net realisable value for inventories by taking into consideration the current economic condition, historical sales record and inventory ageing analysis. 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\$112,658 (2019: US\$25,666). The write-down to net realisable value for slow-moving and obsolete inventories is considered a key audit matter, as it requires management to exercise judgement in identifying slow-moving and obsolete inventories and making estimates of the net realisable value to determine the appropriate level of write-down required. Any significant changes in anticipated future selling prices and saleability may affect the valuation of the inventories.

Our audit procedures to address the key audit matter

- We obtained an understanding of management's policy and assessed the design and implementation of key internal controls relating to the identification of slow moving and obsolete inventories and reviewed the reasonableness of significant judgment applied by management in assessing the write down of inventories.
- We evaluated management's policy for the identification of slow moving and obsolete inventories by reviewing the inventory ageing report and comparing to historical sales record.
- We reviewed and tested the accuracy of inventory ageing report used by management to identify slow moving and obsolete inventories.
- We obtained management's assessment of slow moving and obsolete inventories as at the end of the reporting period and evaluated whether the Group's policy on writing down to net realisable value was consistently applied and remained appropriate.
- We verified that inventories are recorded at the lower of cost and net realisable value by comparing, on a sample basis, the recorded unit cost of inventories against recent/subsequent selling prices.
- We also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2020 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Y Ventures Group Ltd.

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

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.

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.

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)

- 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.

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 Tiang Yii.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

3 April 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Group	
		2020 US\$	2019 US\$
Revenue	4	35,018,866	24,697,828
Cost of sales		(20,932,811)	(15,080,729)
Gross profit		14,086,055	9,617,099
Other income			
- others	5	761,309	608,322
- interest income		1,718	38
Expenses			
Selling and distribution expenses		(10,332,813)	(7,500,865)
Administrative expenses		(3,609,274)	(4,293,984)
Finance costs	6	(57,471)	(87,058)
Impairment losses on financial assets		-	(22,309)
Profit/(loss) before tax	7	849,524	(1,678,757)
Tax expense	9	(89,801)	(10,095)
Profit/(loss) for the year		759,723	(1,688,852)
Other comprehensive income:			
<i>Item that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		8,569	8,756
Total comprehensive profit/(loss) for the year		768,292	(1,680,096)
Profit/(loss) attributable to:			
Equity holders of the Company		739,289	(1,614,986)
Non-controlling interests		20,434	(73,866)
		759,723	(1,688,852)
Total comprehensive profit/(loss) attributable to:			
Equity holders of the Company		747,504	(1,606,116)
Non-controlling interests		20,788	(73,980)
		768,292	(1,680,096)
Earnings/(loss) per share attributable to equity holders of the Company (cents per share)			
Basic and diluted	10	0.3	(0.8)

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

STATEMENTS OF FINANCIAL POSITION

At 31 December 2020

	Note	Group		Company	
		2020	2019	2020	2019
		US\$	US\$	US\$	US\$
Non-current assets					
Property, plant and equipment	11	33,910	73,944	4,524	–
Right-of-use assets	12	198,205	263,333	–	–
Intangible assets	13	18,863	182,346	18,863	–
Investment property	14	1,187,117	1,216,863	–	–
Investment in subsidiaries	15	–	–	2,343,311	2,344,771
Financial asset at fair value through other comprehensive income	16	–	–	–	–
Total non-current assets		1,438,095	1,736,486	2,366,698	2,344,771
Current assets					
Inventories	17	22,115,681	22,007,020	–	–
Trade and other receivables	18	527,857	1,203,960	2,101,767	1,852,931
Contract assets	19	85,232	–	–	–
Cash and bank balances		2,066,918	1,208,846	550,847	60,032
Total current assets		24,795,688	24,419,826	2,652,614	1,912,963
Total assets		26,233,783	26,156,312	5,019,312	4,257,734
Non-current liabilities					
Borrowings	20	891,416	986,652	–	–
Deferred tax liabilities		30,686	30,686	–	–
Total non-current liabilities		922,102	1,017,338	–	–
Current liabilities					
Trade and other payables	21	19,498,287	20,372,494	842,696	594,101
Contract liabilities	19	142	3,321	–	–
Borrowings	20	922,949	1,365,727	–	–
Tax payable		287,202	190,374	–	–
Total current liabilities		20,708,580	21,931,916	842,696	594,101
Total liabilities		21,630,682	22,949,254	842,696	594,101
Net assets		4,603,101	3,207,058	4,176,616	3,663,633
Equity					
Share capital	22	10,934,053	10,306,302	10,934,053	10,306,302
Currency translation reserve		10,677	2,462	–	–
Accumulated losses		(3,921,641)	(4,631,929)	(6,757,437)	(6,613,668)
Merger reserve	23	(2,455,477)	(2,455,477)	–	–
Fair value reserve		–	(29,001)	–	(29,001)
Equity attributable to equity holders of the Company, total		4,567,612	3,192,357	4,176,616	3,663,633
Non-controlling interests		35,489	14,701	–	–
Total equity		4,603,101	3,207,058	4,176,616	3,663,633

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Attributable to equity holders of the Company							
	Share capital US\$	Currency translation reserve US\$	Accumulated losses US\$	Merger reserve US\$	Fair value reserve US\$	Total US\$	Non- controlling interests US\$	Total equity 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	739,289	-	-	747,504	20,788	768,292
Total comprehensive income for the year	627,751	-	-	-	-	627,751	-	627,751
Issuance of ordinary shares (Note 22)	-	-	(29,001)	-	29,001	-	-	-
Derecognition of financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-
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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Group	Attributable to equity holders of the Company							
	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 2019	8,856,288	(6,408)	(3,016,943)	(2,455,477)	(29,001)	3,348,459	(13,199)	3,335,260
Loss for the year	-	-	(1,614,986)	-	-	(1,614,986)	(73,866)	(1,688,852)
Other comprehensive income/(loss)	-	8,870	-	-	-	8,870	(114)	8,756
Currency translation differences arising from consolidation	-	8,870	(1,614,986)	-	-	(1,606,116)	(73,980)	(1,680,096)
Issuance of ordinary shares (Note 22)	1,450,014	-	-	-	-	1,450,014	-	1,450,014
Disposal of a subsidiary	-	-	-	-	-	-	101,880	101,880
Balance at 31 December 2019	10,306,302	2,462	(4,631,929)	(2,455,477)	(29,001)	3,192,357	14,701	3,207,058

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

		Share capital	Accumulated losses	Fair value reserve	Total equity
	Note	US\$	US\$	US\$	US\$
Company					
Balance at 1 January 2019		8,856,288	(6,362,256)	(29,001)	2,465,031
Loss and total comprehensive loss for the year		–	(251,412)	–	(251,412)
Issuance of ordinary shares	22	1,450,014	–	–	1,450,014
Balance at 31 December 2019		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	22	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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	2020 US\$	2019 US\$
Cash flows from operating activities		
Profit/(loss) before tax	849,524	(1,678,757)
Adjustments for:		
Amortisation of intangible assets	132,316	152,324
Bad debts written off (trade)	37,711	45,052
Depreciation of investment property	29,746	22,858
Depreciation of property, plant and equipment	50,311	70,422
Depreciation of right-of-use assets	176,968	241,111
Gain on disposal of property, plant and equipment	(18,054)	(1,287)
Gain on disposal of subsidiary	–	(109,655)
Impairment loss on trade and other receivables	–	22,309
Intangible assets written off	68,701	–
Interest expense	57,471	87,058
Interest income	(1,718)	(38)
Right-of-use assets written off	188	–
Unrealised exchange (gain)/loss	725	8,816
Write-down of inventories	112,658	25,666
Operating cash flows before working capital change	1,496,547	(1,114,121)
Inventories	(221,319)	(12,779,709)
Receivables and contract assets	553,160	(89,026)
Payables and contract liabilities	(877,386)	13,806,289
Currency translation adjustments	6,880	14,417
Cash flows from/(used in) operations	957,882	(162,150)
Income tax paid	7,027	(10,095)
Interest received	1,718	38
Net cash generated from/(used in) operating activities	966,627	(172,207)
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	18,102	5,939
Purchases of property, plant and equipment	(10,485)	(565)
Purchase of intangible assets	(37,486)	(56,588)
Net cash outflow from disposal of a subsidiary	–	(32,587)
Net cash used in investing activities	(29,869)	(83,801)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	2020	2019
	US\$	US\$
Cash flow from financing activities		
Repayments of borrowings	(1,036,607)	(1,299,658)
Proceeds from issue of shares, net	627,751	1,450,014
Proceeds from borrowings	-	1,000,000
Interest paid	(52,584)	(77,232)
Interest paid on lease liability	(4,887)	(9,826)
Repayment of lease liabilities	(233,254)	(189,250)
Net cash (used in)/generated from financing activities	(699,581)	874,048
Net increase in cash and cash equivalents	237,177	618,040
Cash and cash equivalents at beginning of the financial year	1,091,858	480,502
Effects of exchange rate changes on cash and cash equivalents	(133)	(6,684)
Cash and cash equivalents at end of the financial year	1,328,902	1,091,858

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

	2020	2019
	US\$	US\$
Cash and cash equivalents	2,066,918	1,208,846
Less: Bank overdrafts (Note 20)	(738,016)	(116,988)
Cash and cash equivalents per consolidated statement of cash flows	1,328,902	1,091,858

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 1 Lorong 2 Toa Payoh, #05-06 Braddell House, Singapore 319637.

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, Chapter 50 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.

New and revised standards

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. In addition, the Group also early adopted the amendment to SFRS(I) 16 *COVID-19 - Related Rent Concessions*. 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

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 except as disclosed below.

During the financial year, the Group has elected to early adopt the amendment to SFRS(I) 16 *COVID-19 - Related Rent Concessions* which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of US\$18,964 was recognised as negative variable lease payments (i.e. reduction in rental expenses) in profit or loss during the year. The amendment has no impact on accumulated losses at 1 January 2020.

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 2020 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

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.

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. 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

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.

d) 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 other property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Vehicles	5
Renovation	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 2020

2 Summary of significant accounting policies (cont'd)

e) 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.

f) Investment properties

Investment properties include those portions of properties that are held to earn rental income and/or for capital appreciation. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

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.

g) Impairment of non-financial assets

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

g) Impairment of non-financial assets (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 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.

h) 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 in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI").

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, GST receivables and tax recoverable). 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 2020

2 Summary of significant accounting policies (cont'd)

h) 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.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Group make an irrevocable election (on an investment by investment basis) to designate equity investments as at financial assets at fair value through other comprehensive income ("FVOCI").

The Group has designated all of its equity investments that are not held for trading as at FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment classified as FVOCI, the difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income. Fair value reserve relating to the disposed asset would be transferred to accumulated losses upon disposal. Equity investments classified as FVOCI are not subject to impairment assessment.

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 economic environment.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

h) Financial assets (cont'd)

Impairment (cont'd)

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.

i) 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.

j) 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.

k) Financial liabilities

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.

l) 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 and the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

m) 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.

n) 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.

o) 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 2020

2 Summary of significant accounting policies (cont'd)

o) 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.

p) 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. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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.

q) 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 2020

2 Summary of significant accounting policies (cont'd)

q) Leases (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. 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 are presented as a separate line in the statements of financial position.

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

As a practical expedient, SFRS(I) 16 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 2020

2 Summary of significant accounting policies (cont'd)

q) Leases (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.

r) 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.

s) 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.

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

s) Income taxes (cont'd)

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.

t) 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.

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

u) 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 profit and total comprehensive income of US\$759,723 and US\$768,292 respectively for the financial year ended 31 December 2020, and at 31 December 2020 has net current assets and net assets of US\$4,087,108 and US\$4,603,101 respectively. The Group also recorded net cash generated from operating activities of US\$966,627 for the financial year ended 31 December 2020.

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.

(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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

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

Where necessary, inventories are written down to net realisable value for estimated losses where the cost of inventories may not be recoverable. Management identified the slow-moving and obsolete inventories, also estimated the net realisable value for inventories by taking into consideration the current economic condition, historical sales record and inventory ageing analysis. 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\$112,658 (2019: US\$25,666). Any significant changes in anticipated future selling price and saleability may result in the need to write-down inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 17.

(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 and tax recoverable is disclosed in Note 18.

(iii) Impairment of non-financial assets

At each reporting date, the Group assesses whether there are any indications of impairment for all non-financial assets. The Group also assess whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, may no longer exist or may have decreased.

If any such indication exists, the Group estimates the recoverable amount of that asset. An impairment loss exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use including consideration of COVID-19 pandemic impact. An impairment loss recognised in prior periods shall be 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.

The carrying amounts of the Group's property, plant and equipment, right-of-use assets, intangible assets and investment property are disclosed in Notes 11, 12, 13 and 14 respectively.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

Key sources of estimation uncertainty (cont'd)

(iv) Calculation of loss allowance

When measuring ECL, the Group and the Company uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. With consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As the calculation of loss allowance on trade receivables and amounts due from subsidiaries is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables and amounts due from subsidiaries. Details of ECL measurement and carrying value of trade receivables and amounts due from subsidiaries at reporting date are disclosed in Note 26(b).

4 Revenue

	Group	
	2020	2019
	US\$	US\$
Sales of goods	34,460,123	24,262,073
Logistics and freight forwarding services	2,273	25,464
Waste management services	419,934	410,291
Training services	136,536	–
	35,018,866	24,697,828
Timing of revenue recognition		
At a point of time	34,882,330	24,697,828
Over time	136,536	–
	35,018,866	24,697,828

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5 Other income

	Group	
	2020	2019
	US\$	US\$
Gain on disposal of subsidiary	-	109,655
Gain on disposal of property, plant and equipment	18,054	1,287
Government grants income	652,875	291,278
Rental income	21,473	18,401
Resale of goods collected	9,304	46,329
Storage services	-	21,987
Others	59,603	119,385
	761,309	608,322

Government grant income of US\$288,598 (2019: US\$Nil) 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 during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

6 Finance costs

	Group	
	2020	2019
	US\$	US\$
Interest expense:		
- Bank overdraft	6,782	25,065
- Commercial property loan	22,930	22,902
- Lease liabilities	4,887	9,826
- Secured loan	22,872	16,680
- Trade facilities	-	12,585
	57,471	87,058

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Profit/(loss) before tax

Group	
2020	2019
US\$	US\$

This is arrived at after charging/(crediting):

Amortisation of intangible assets (Note 13)	132,316	152,324
Audit fee payable/paid to		
- auditor of the Company	83,655	70,938
- other auditors *	7,473	13,567
Bad debts written off (trade)	37,711	45,052
Depreciation of investment property (Note 14)	29,746	22,858
Depreciation of property, plant and equipment (Note 11)	50,311	70,422
Depreciation of right-of-use assets (Note 12)	176,968	241,111
Directors' fee	69,120	46,901
Fees for non-audit services		
- auditor of the Company	7,473	10,992
Foreign exchange losses, net	75,676	159,881
Impairment loss on other receivables (Note 18)	-	22,309
Intangible assets written off	68,701	-
Personnel expenses (Note 8)	2,151,680	2,361,307
Rental expense (Note 12)	5,246	14,134
Right-of-use assets written off	188	-
Write-down of inventories	112,658	25,666

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

8 Personnel expenses

Group	
2020	2019
US\$	US\$

Staff costs:

- Salaries, bonus and other benefits	1,972,477	2,133,828
- Defined contribution plans	179,203	227,479
	2,151,680	2,361,307

9 Tax expenses

Group	
2020	2019
US\$	US\$

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

Current income tax	74,020	-
Under provision of income tax in respect of previous financial year	15,781	10,095
	89,801	10,095

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Tax expenses (cont'd)

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 in the countries where the Group operates due to the following factors:

	Group	
	2020	2019
	US\$	US\$
Profit/(loss) before tax	849,524	(1,678,757)
Tax at the domestic rates applicable to loss in the countries where the Group operates	715,421	(294,247)
Expenses not deductible for tax purposes	20,451	36,710
Income not subject to tax	(20,135)	(112,652)
Singapore statutory stepped income exemption	(25,230)	–
Under provision of income tax in prior years	15,781	10,095
Temporary differences not recognised	79,240	391,236
Utilisation of previously unrecognised temporary differences	(670,973)	(29,902)
Others	(24,754)	8,855
	89,801	10,095

The income tax rate applicable to companies incorporated in Singapore and foreign subsidiaries of the Group are 17% (2019: 17%) and tax-free to 25% (2019: tax-free to 40%) respectively for the financial year ended 31 December 2020.

At the end of the reporting period, the Group has unutilised tax losses of US\$3,346,000 (2019: US\$5,318,000) 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\$349,000 (2019: US\$358,000) and US\$Nil (2019: US\$561,000) that are available for carry forward up to five and seven years from the year of loss against future taxable profit of the People's Republic of China ("PRC") and Malaysia subsidiaries respectively. As at 31 December 2020, the unabsorbed tax losses from the Malaysian subsidiary may be disallowed as the Malaysian subsidiary is under liquidation.

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	
	2020	2019
	US\$	US\$
Unutilised tax losses	3,346,000	5,318,000
Accelerated tax depreciation	(24,000)	1,123,000
Others	(65,000)	(32,000)
	3,257,000	6,409,000

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10 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	
	2020	2019
	US\$	US\$
Profit/(loss) for the year attributable to equity holders of the Company (US\$)	739,289	(1,614,986)
Weighted average number of ordinary shares	229,791,148	210,607,616
Earnings/(loss) per shares (cents per share)		
- Basic and diluted	0.3	(0.8)

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 2020 and 31 December 2019.

11 Property, plant and equipment

	Vehicles	Renovation	Furniture and fittings	Office equipment	Total
	US\$	US\$	US\$	US\$	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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

11 Property, plant and equipment (cont'd)

	Freehold property US\$	Vehicles US\$	Renovation US\$	Furniture and fittings US\$	Office equipment US\$	Total US\$
Group						
2019						
Cost						
At 1.1.2019	1,523,832	165,580	189,354	24,915	132,445	2,036,126
Additions	-	-	-	-	565	565
Disposal	-	-	-	(7,127)	-	(7,127)
Reclassification to investment property (Note 14)	(1,523,832)	-	(97,139)	-	-	(1,620,971)
Translation	-	984	110	(24)	298	1,368
At 31.12.2019	-	166,564	92,325	17,764	133,308	409,961
Accumulated depreciation and impairment losses						
At 1.1.2019	276,492	119,087	113,911	13,887	124,993	648,370
Depreciation charge	7,619	12,810	39,159	3,449	7,385	70,422
Disposal	-	-	-	(2,475)	-	(2,475)
Reclassification to investment property (Note 14)	(284,111)	-	(97,139)	-	-	(381,250)
Translation	-	544	110	(7)	303	950
At 31.12.2019	-	132,441	56,041	14,854	132,681	336,017
Representing:						
Accumulated depreciation	-	132,441	56,041	14,854	132,681	336,017
Net carrying value						
At 31.12.2019	-	34,123	36,284	2,910	627	73,944

Office equipment	
2020	2019
US\$	US\$

Company

Cost

As 1 January	-	-
Addition	6,725	-
At 31 December	6,725	-
Accumulated depreciation		
At 1 December	-	-
Depreciation charge	2,201	-
At 31 December	2,201	-
Net carrying amount		
At 31 December	4,524	-

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12 Right-of-use assets

Group

Cost

	Offices and warehouse units	
	2020	2019
	US\$	US\$
At 1 January	505,270	–
Recognition of right-of-use assets on initial application of SFRS(I)16	–	503,756
Lease modification	110,094	–
Write-off	(86,561)	–
Translation	3,934	1,514
At 31 December	532,737	505,270

Accumulated depreciation

At 1 January	241,937	–
Depreciation charge	176,968	241,111
Write-off	(86,373)	–
Translation	2,000	826
At 31 December	334,532	241,937

Net carrying value

At 31 December	198,205	263,333
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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 1 to 2 (2019: between 2 to 3) years. In addition, the Group leases certain office equipment with contractual terms of 21 months (2019: 5 months to 33 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 26(b). Information about leases for which the Group is a lessee is presented below:

Amounts recognised in profit or loss

	2020	2019
	US\$	US\$
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense - short term leases (Note 7)	5,246	14,134
Interest expense on lease liabilities	4,887	9,826

During the financial year, total cash flow for leases amounted to US\$243,387 (2019: US\$213,210).

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

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:

	2020	2019
	US\$	US\$
Less than one year	7,087	24,986
1 to 2 years	–	7,288
Total undiscounted lease payments	7,087	32,274

13 Intangible assets

	Group		Company	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Computer software development costs				
Cost				
At 1 January	520,152	463,693	–	–
Additions	37,486	56,588	19,702	–
Write-off	(504,106)	–	–	–
Translation	91	(129)	–	–
At 31 December	53,623	520,152	19,702	–
Accumulated amortisation and impairment				
At 1 January	337,806	185,528	–	–
Amortisation charge	132,316	152,324	839	–
Write-off	(435,405)	–	–	–
Translation	43	(46)	–	–
At 31 December	34,760	337,806	839	–
Net carrying value				
At 31 December	18,863	182,346	18,863	–

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14 Investment property

	Freehold property US\$	Renovation US\$	Total US\$
Group			
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
Representing:			
Accumulated depreciation	210,066	97,139	307,205
Accumulated impairment loss	126,649	–	126,649
	336,715	97,139	433,854
Net carrying amount			
At 31.12.2020	1,187,117	–	1,187,117
2019			
Cost			
At 1.1.2019	–	–	–
Reclassified from property, plant and equipment (Note 11)	1,523,832	97,139	1,620,971
At 31.12.2019	1,523,832	97,139	1,620,971
Accumulated depreciation and impairment loss			
At 1.1.2019	–	–	–
Reclassified from property, plant and equipment (Note 11)	284,111	97,139	381,250
Depreciation charge	22,858	–	22,858
At 31.12.2019	306,969	97,139	404,108
Representing:			
Accumulated depreciation	180,320	97,139	277,459
Accumulated impairment loss	126,649	–	126,649
	306,969	97,139	404,108
Net carrying amount			
At 31.12.2019	1,216,863	–	1,216,863

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14 Investment property (cont'd)

In 2019, the Group's freehold property was reclassified from property, plant and equipment to investment property as the Group commenced to rent out its freehold property.

The investment property is mortgaged to secure the Group's commercial property loan (Note 20).

Based on the estimation of the investment property's highest-and-best-use fair value by the directors, the estimated fair values of the investment property at the end of the reporting period totalled US\$1,206,000 (2019: US\$1,289,000). The fair value is 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	
	2020	2019
	US\$	US\$
Rental income	21,473	18,401
Direct operating expenses arising on the investment property, including depreciation charge for the year	35,473	32,000

15 Investment in subsidiaries

	Group	
	2020	2019
	US\$	US\$
Unquoted shares, at cost		
At 1 January	2,567,032	2,567,069
Disposal of a subsidiary	-	(37)
Liquidation of subsidiaries	(1,460)	-
	2,565,572	2,567,032
Less: Allowance for impairment in value	(222,261)	(222,261)
	2,343,311	2,344,771

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 2020

15 Investment in subsidiaries (cont'd)

(i) Details of the subsidiaries are:

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2020	2019
			%	%
<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 ⁽³⁾	India	Dormant	51	51
JustNile UK Pte Ltd	United Kingdom	Struck off in 2020	–	100
JustNile Malaysia Sdn. Bhd.	Malaysia	Under liquidation	100	100
Y Ventures Lab Pte. Ltd. ⁽¹⁾ (formerly known as Evermint Pte Ltd)	Singapore	Provision of e-commerce solutions and training to customers	100	100
<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
Avalon Worldwide Group Ltd.	British Virgin Islands	Struck off in 2020	–	100
<i>Subsidiaries held by JustNile Holdings</i>				
JustNile Inc ⁽³⁾	United States of America	Dormant	60	60
JustNile Distribution Ltd.	British Virgin Islands	Dissolved on 23 February 2021	60	60
JustNile International Corp.	Taiwan	Dissolved on 21 January 2021	60	60
<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

(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 2020 by law of incorporation, and audited by Baker Tilly TFW LLP for the purpose of preparation of the consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 Investment in subsidiaries (cont'd)

- (i) 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.
- (ii) Company level - Impairment review of investment in subsidiaries

In prior year, an impairment loss of US\$222,261 was recognised in the Company's profit or loss to write down the full cost of investment in a subsidiary. The estimate of the recoverable amount was determined by management based on net assets value of the subsidiary, which approximated the recoverable amount of the investment in the subsidiary as management did not have and still do not have any future plans for the operations of this subsidiary.

16 Financial asset at fair value through other comprehensive income

In prior year, the unquoted equity shares represented interest in a company in Singapore, which was engaged in retail channel and e-commerce buying platform company. This investment in equity shares was not held for trading and accordingly recognised as financial assets at fair value through other comprehensive income in 2018 when the Company lost its control over this investment.

This financial asset is derecognised during the financial year.

17 Inventories

Group	
2020	2019
US\$	US\$

Finished goods

22,115,681 22,007,020

Inventories recognised as an expense in cost of sales for the financial year ended 31 December 2020 amounted to US\$20,428,214 (2019: US\$14,269,637).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 Trade and other receivables

	Group		Company	
	2020 US\$	2019 US\$	2020 US\$	2019 US\$
Trade receivables				
- third parties	406,207	169,481	-	-
- subsidiary	-	-	675,338	530,300
	406,207	169,481	675,338	530,300
Advance to suppliers	2,567	569,468	-	-
Deposits	42,709	75,907	-	33,491
Due from a non-controlling shareholder of the subsidiaries	-	50,000	-	-
Due from subsidiaries	-	-	2,046,320	3,368,138
GST receivables	43,479	47,947	-	-
Other receivables	7,546	288,063	-	22,484
Prepayments	25,349	25,377	20,109	8,857
Tax recoverable	-	26	-	-
	121,650	1,056,788	2,066,429	3,432,970
Less: Allowance for impairment	-	(22,309)	(640,000)	(2,110,339)
	121,650	1,034,479	1,426,429	1,322,631
	527,857	1,203,960	2,101,767	1,852,931

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

	Group	
	2020 US\$	2019 US\$
At 1 January	-	179,270
Allowance written off during the year	-	(179,270)
At 31 December	-	-

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

	Group		Company	
	2020 US\$	2019 US\$	2020 US\$	2019 US\$
At 1 January	22,309	269,666	2,110,339	4,595,314
Allowance made (Note 7)	-	22,309	15,000	20,000
Allowance written off	-	(269,666)	(14,066)	-
Allowance written back	(22,309)	-	(22,309)	(205,083)
Waiver of debts - subsidiaries	-	-	(1,448,964)	(2,299,892)
At 31 December	-	22,309	640,000	2,110,339

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 Trade and other receivables (cont'd)

In 2019, the amount due from a non-controlling shareholder of the subsidiaries related to advances paid for purchases to be made on behalf of the subsidiaries.

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand except for US\$1,040,108 (2019: US\$4,190,000) with interest of 12% (2019: 12%) per annum.

19 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.

	2020 US\$	2019 US\$	1.1.2019 US\$
Group			
Trade receivables from contracts with customers	406,207	169,481	653,383
Contract assets	85,232	–	–
Contract liabilities	142	3,321	11,268

20 Borrowings

	Group	
	2020 US\$	2019 US\$
<i>Non-current</i>		
Commercial property loan, secured	843,330	878,078
Lease liabilities	48,086	108,574
	891,416	986,652
<i>Current</i>		
Commercial property loan, secured	34,748	37,810
Bank overdraft, secured	738,016	116,988
Secured loan, secured	–	1,000,000
Lease liabilities	150,185	210,929
	922,949	1,365,727
	1,814,365	2,352,379

Commercial property loan is repayable over 300 monthly instalments from March 2014 and bears a floating interest rate of 2.87% below the Banker's Commercial Financing Rate (2019: fixed rate of 2.68%) per annum.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20 Borrowings (cont'd)

Bank overdraft is repayable on demand and bears a floating rate of 0.75% (2019: 0.75%) per annum over the Singapore's bank prime lending rate.

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

- (i) A first legal mortgage over the Group's freehold property (Note 14);
- (ii) In 2019, joint and several guarantees from certain directors of the Company; and
- (iii) Corporate guarantee for S\$2,600,000 (2019: S\$3,600,000) executed by the Company.

In 2019, secured loan bore fixed interest rate of 7.99% to 10.22% per annum and was secured by inventories of a subsidiary with carrying value of US\$22,004,822. The secured loan was fully repaid during the year.

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.

In 2019, based on the discounted cash flow analysis using a discount rate based upon market lending rate for similar borrowings which the directors expect would be available to the Group at the end of the reporting date, the fair value of the fixed rate non-current borrowings at the end of the reporting date approximate their carrying values as there are no significant changes in the market lending interest rates available to the Group at the end of the reporting date. The fair value measurement for disclosure purposes was 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\$	Trade facilities US\$	Secured loan US\$	Lease liabilities US\$	Total US\$
Group					
Balance at 1 January 2019	948,284	876,120	387,323	–	2,211,727
Adoption of SFRS(I) 16	–	–	–	503,756	503,756
Changes from financing cash flows:					
- Proceeds	–	–	1,000,000	–	1,000,000
- Repayments	(36,215)	(876,120)	(387,323)	(189,250)	(1,488,908)
- Interest paid	(22,902)	(12,585)	(16,680)	(9,826)	(61,993)
Non-cash changes:					
- Interest expense	22,902	12,585	16,680	9,826	61,993
Effect of changes in foreign exchange rates	3,819	–	–	4,997	8,816
Balance at 31 December 2019	915,888	–	1,000,000	319,503	2,235,391
- 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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

21 Trade and other payables

	Group		Company	
	2020 US\$	2019 US\$	2020 US\$	2019 US\$
Trade payables (third parties)	18,975,011	19,795,642	-	-
Accrued expenses	439,750	406,863	398,000	295,300
Other payables	15,403	121,196	226,002	97,871
GST payables	23,172	24,139	23,173	24,139
Amount due to a director	-	229	-	-
Deferred government grants	44,951	24,425	44,951	24,425
Due to subsidiaries	-	-	150,570	152,366
	19,498,287	20,372,494	842,696	594,101

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

22 Share capital

	Group and Company			
	2020		2019	
	No. of shares	US\$	No. of shares	US\$
At 1 January	229,660,000	10,306,302	205,000,000	8,856,288
Issue of ordinary shares	12,000,000	627,751	24,660,000	1,450,014
At 31 December	241,660,000	10,934,053	229,660,000	10,306,302

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.

On 7 October 2019, the Company issued 24,660,000 ordinary shares of \$0.0812 (equivalent to US\$0.059) 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.

23 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 2020

24 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:

2020	2019
US\$	US\$

With related party

Training service	136,536	–
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A related party refers to a company in which is controlled by key management personnel of the Company.

Key management personnel compensation:

Group	
2020	2019
US\$	US\$

Directors' remuneration		
- Salaries	514,645	373,745
- Defined contribution plans	39,056	25,414
	553,701	399,159
Key management personnel's remuneration (non-directors)		
- Salaries	208,485	184,822
- Defined contribution plans	25,844	24,661
	234,329	209,483
	788,030	608,642

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 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\$1,943,039) ((2019: S\$3,600,000) (approximately US\$2,677,157)) to a bank for bank borrowings of US\$878,078 (2019: US\$915,888) 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.

- (b) The Company has provided corporate guarantees of GBP150,000 (approximately US\$201,393) ((2019: GBP 150,000) (approximately US\$265,299)) and US\$200,000 (2019: US\$200,000) for each purchase obligation to two major suppliers for extended credit period granted in relation to outstanding purchases of US\$Nil (2019: US\$129,010) and US\$294,136 (2019: US\$732,016) respectively by a subsidiary at the end of the reporting period.

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

26 Financial instruments

a) Categories of financial instruments

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

Group		Company	
2020	2019	2020	2019
US\$	US\$	US\$	US\$

Financial assets

Financial assets at amortised cost	2,523,380	1,769,988	2,632,505	1,904,106
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Financial liabilities

Financial liabilities at amortised cost	21,179,744	22,657,945	709,787	527,174
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NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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.

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

	Group US\$	Company US\$
2020		
<i>Financial assets</i>		
Trade and other receivables	220,784	169
Cash and bank balances	846,893	489,282
	1,067,677	489,451
<i>Financial liabilities</i>		
Trade and other payables	2,730,202	709,665
Borrowings	1,814,365	-
	4,544,567	709,665
SGD currency exposure on net financial liabilities	(3,476,890)	(220,214)

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 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):

	Group US\$	Company US\$
2019		
<i>Financial assets</i>		
Trade and other receivables	6,739,527	–
Cash and bank balances	128,003	57,582
	6,867,530	57,582
<i>Financial liabilities</i>		
Trade and other payables	12,891,267	527,174
Borrowings	1,032,876	–
	13,924,143	527,174
SGD currency exposure on net financial liabilities	(7,056,613)	(469,592)

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	
	(Decrease)/ increase in profit after tax	Increase/ (decrease) in loss after tax	Increase/ (decrease) in loss after tax	Increase/ (decrease) in loss after tax
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
SGD/USD				
- strengthened 10%	(288,582)	585,699	18,278	38,976
- weakened 10%	288,582	(585,699)	(18,278)	(38,976)
	288,582	(585,699)	(18,278)	(38,976)

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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

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). Borrowings at fixed rates expose the Group to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market 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.

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 (2019: 1 debtor) that represented approximately 86% (2019: 70%) of the trade receivables.

The Company has significant concentration of credit risk exposure arising on amounts due from subsidiaries (Note 18). Non-trade balances due from subsidiaries are repayable on demand. The Company has made impairment allowance for expected credit losses of US\$640,000 (2019: US\$2,088,030) 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 25.

The expected credit loss for cash and cash equivalents and other receivables of the Group and the Company are immaterial as at 31 December 2020 and 31 December 2019.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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

Credit risk (cont'd)

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

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;
- significant increases in credit risk on other financial instruments of the same 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

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.

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 determines the ECL of trade receivables by making debtor-specific assessment of expected impairment loss for overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, past due status of debtors, debtors' ability to pay and forward-looking information specific to the debtors and economic environment.

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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. 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 as at 31 December 2020 is not material, and accordingly no allowance for impairment is recognised as at 31 December 2020.

Financial assets at amortised cost

The table below details the credit quality of the Group's financial assets and contract assets:

		12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			US\$	US\$	US\$
2020					
Trade receivables	Lifetime		406,207	–	406,207
Contract assets	Lifetime		85,232	–	85,232
Other receivables	Lifetime		50,255	–	50,255
Cash and bank balances with financial institutions	N.A. Exposure Limited		2,066,918	–	2,066,918
2019					
Trade receivables	Lifetime		169,481	–	169,481
Other receivables	Lifetime		413,970	(22,309)	391,661
Cash and bank balances with financial institutions	N.A. Exposure Limited		1,208,846	–	1,208,846

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 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\$
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
2019				
Due from a subsidiary (trade)	Lifetime	530,300	–	530,300
Due from subsidiaries (non-trade)	12-month (Exposure Limited)	1,170,108	–	1,170,108
	Lifetime	2,198,030	(2,088,030)	110,000
Other receivables	Lifetime	22,484	(22,309)	175
Deposits	N.A. Exposure Limited	33,491	–	33,491
Cash and bank balances with financial institutions	N.A. Exposure Limited	60,032	–	60,032

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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

Credit risk (cont'd)

Financial assets at amortised cost (cont'd)

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 2020 and 31 December 2019.

Movements in credit loss allowance

There are no movement in the allowance for impairment of financial assets under SFRS(I) 9 during the financial year for the Group and the Company except for the following:

	Trade receivables	Advance to supplier refundable in cash	Other receivables
	US\$	US\$	US\$
Group			
Balance at 1 January 2019	179,270	269,666	–
Loss allowance measured			
Lifetime ECL			
- Credit-impaired	–	–	22,309
Receivables written off as uncollectable	(179,270)	(269,666)	–
Balance at 31 December 2019	–	–	22,309
Allowance written back	–	–	(22,309)
Balance at 31 December 2020	–	–	–

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Financial instruments (cont'd)

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

Credit risk (cont'd)

Movements in credit loss allowance (cont'd)

	Amount due from subsidiaries US\$	Other receivables US\$
Company		
Balance at 1 January 2019	4,595,314	–
Loss allowance (reversal)/measured:		
Lifetime ECL		
- Credit-impaired	(207,392)	22,309
Waiver of debts to wholly-owned subsidiaries	(2,299,892)	–
Balance at 31 December 2019	2,088,030	22,309
Loss allowance measured		
Lifetime ECL		
- Credit-impaired	15,000	–
Allowance written back	–	(22,309)
Waiver of debts to wholly-owned subsidiaries	(1,448,964)	–
Receivable written off as uncollectable	(14,066)	–
Balance at 31 December 2020	640,000	–

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 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 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
At 31 December 2019				
Trade and other payables	20,305,567	–	–	20,305,567
Borrowings	1,200,516	240,373	851,762	2,292,651
Lease liabilities	214,842	109,714	–	324,556
	21,720,925	350,087	851,762	22,922,774
Company				
At 31 December 2020				
Trade and other payables	709,787	–	–	709,787
At 31 December 2019				
Trade and other payables	527,174	–	–	527,174

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	
	2020	2019
	US\$	US\$
Financial guarantee contracts	1,172,214	1,776,914

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 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.

28 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 2019 and 2020.

29 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 2020

29 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	
	2020 US\$	2019 US\$	2020 US\$	2019 US\$	2020 US\$	2019 US\$	2020 US\$	2019 US\$	2020 US\$	2019 US\$	2020 US\$	2019 US\$
Revenue:												
External customers	34,596,659	24,262,073	2,273	25,464	419,934	410,291	-	-	-	-	35,018,866	24,697,828
Intersegment sales	-	-	119,727	609,862	-	147	-	-	(119,727)	(610,009)	-	-
Total revenue	34,596,659	24,262,073	122,000	635,326	419,934	410,438	-	-	(119,727)	(610,009)	35,018,866	24,697,828
Segment profit/(loss):	1,321,667	1,549,622	291,782	(539,216)	(3,343)	381,730	(112,566)	(2,515,035)	-	-	1,497,540	(1,122,899)
Depreciation	(184,822)	(265,092)	(55,328)	(56,489)	(14,673)	(12,810)	(2,202)	-	-	-	(257,025)	(334,391)
Amortisation	(132,316)	(152,324)	-	-	-	-	-	-	-	-	(132,316)	(152,324)
Impairment losses/write offs	(219,258)	(70,718)	-	-	-	-	-	(22,309)	-	-	(219,258)	(93,027)
Gain on disposal on a subsidiary	-	-	-	-	-	-	-	109,655	-	-	-	109,655
Gain on disposal on property, plant and equipment	658	1,287	-	-	17,396	-	-	-	-	-	18,054	1,287
Finance costs	(57,471)	(87,058)	-	-	-	-	-	-	-	-	(57,471)	(87,058)
Profit/(loss) before tax											849,524	(1,678,757)
Income tax expense											(89,801)	(10,095)
Profit/(loss) for the year											759,723	(1,688,852)
Segment assets	25,109,197	25,834,751	351,445	113,708	178,798	105,272	594,343	102,555	-	-	26,233,783	26,156,286
Unallocated assets											-	26
Total assets											26,233,783	26,156,312
Liabilities												
Segment liabilities	20,441,711	22,019,941	147,184	257,717	31,773	8,801	692,126	441,735	-	-	21,312,794	22,728,194
Unallocated liabilities											317,888	221,060
Total liabilities											21,630,682	22,949,254

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29 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 year ended 31 December 2020 and 31 December 2019.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

30. Independent Review Report and Singapore Exchange Regulation's ("SGX RegCo") Regulatory Announcement on the Independent Review report dated 16 March 2021

Following the Company's announcements of 14 August 2018, 21 January 2019, 30 January 2019, 1 February 2019 and 12 March 2019 on the misstatements in its unaudited financial statements for the half year ended 30 June 2018 ("HY2018"), on 12 March 2019, the Company announced that in consultation with SGX RegCo and the Company's Sponsor, the Company had appointed Deloitte and Touche Enterprise Risk Services Pte Ltd ("Deloitte") as the independent reviewer. It was announced that the scope of the independent review will include, inter alia, the review of 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; quantify and particularise any misstatements in the Group's prior years' financial statements as disclosed in the IPO offer document and to-date as a result of the internal control lapses and misstatements identified; and identify any possible breaches of the Singapore Exchange Rulebooks, Companies Act (Cap 50) and/or Securities and Futures Act (Cap 289), in relation to the internal control lapses and misstatements identified and identify the parties responsible for the possible breaches. The HY2018 misstatements were identified through the Group's internal review procedures after the unaudited results containing the misstatements have been announced.

As at the date of this report, the review has been concluded and the Company had on 16 March 2021 received the Independent Review report from Deloitte. The Company had on 16 March 2021 announced that the Group has noted the internal control weaknesses identified by Deloitte and had implemented their recommendations or undertaken alternative measures. The Company also further noted that Deloitte has highlighted, among other things, breaches of Catalyst Rule 703(4)(a) and Rule 719(1).

Deloitte concluded that the HY2018 misstatements had occurred mainly because employees had not complied with internal procedures the Group had implemented during its Initial Public Offering (IPO).

Deloitte reported that the underlying causes of the 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 the financial closing and reporting process. The erroneous financial records were undetected due to oversight by the former Chief Financial Officer of the Group.

Deloitte also stated in the Independent Review report that Deloitte was unable to assess if any misstatements in the financial statements for FY2014 to FY2017 had occurred. Deloitte had not had the benefit of reviewing complete and contemporaneous supporting documents. The documents were unavailable due to the passage of time, staff turnover and inadequate record keeping. SGX RegCo will also engage the relevant regulatory authorities where appropriate on this matter.

The Board has further noted that Deloitte has highlighted, among other things, the following potential breaches as extracted from the Independent Review Report:

- (i) Catalyst Rule 703(4)(a) states that in complying with the SGX-ST's disclosure requirements, an issuer must observe the corporate disclosure policy set out in Appendix 7A. Paragraph 27(a) of the corporate disclosure policy requires each announcement to be factual, clear and succinct.

As a result of the errors and omissions in the accounting records maintained by the Group, the net profits reported in its HFY18 financial statements (as announced on 14 August 2018) was materially overstated by US\$1.3 million. The HFY18 financial statements announcement dated 14 August 2018 was therefore not in accordance with the criteria stated in Catalyst Rule 703(4)(a) read with Paragraph 27(a) of the corporate disclosure policy.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

30. Independent Review Report and Singapore Exchange Regulation's ("SGX RegCo") Regulatory Announcement on the Independent Review report dated 16 March 2021 (cont'd)

- (ii) Catalyst Rule 719(1) states that an issuer should have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The audit committee may commission an independent audit on internal controls and risk management systems for its assurance, or where it is not satisfied with the systems of internal controls and risk management. In arriving at the decision, the audit committee should consider the recommendation of the continuing sponsor.

There were inherent limitations of using Excel spreadsheets to manage inventory records and the external auditor had previously highlighted to the Group the importance of having an inventory management system with the following features:

- (a) monthly reconciliation of the stock listing with general ledger stock control balance, and follow up of discrepancies noted;
- (b) monthly reconciliation of the stock listing comparing physical stock count, and follow up of the stock count discrepancies;
- (c) monthly stock ageing report prepared and reviewed for slow-moving and obsolete stocks; and
- (d) accurate costing of stock movements.

While the Group had put in place procedures to address the above concerns, these procedures were not followed by the finance team and thereby resulted in the misstatements. The internal control lapses, in particular the inadequate review of the accounting entries, had resulted in errors in the accounting records not being detected. This in turn caused the misstatements and indicated inadequacy and ineffectiveness of the Group's existing systems of internal controls.

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. The Group noted the internal control weaknesses identified by Deloitte and had implemented their recommendations or undertaken alternative measures.

The Board of Directors and management have reviewed the findings in the Independent Review report and determined that no restatements to prior years' financial statements and these financial statements were necessary.

On 16 March 2021, SGX RegCo announced that they will investigate further potential Catalyst listing rule breaches by the Company, its directors and/or key executive officers as highlighted in the Independent Review report. SGX RegCo also states in their announcement that the Company has implemented all internal control recommendations highlighted in Deloitte's report. SGX RegCo expects the audit committee to continue to monitor the internal controls in its finance function and include these areas of review as part of the scope of its annual internal audit.

At the date of these financial statements, the Company had not received any further communications from SGX RegCo after its announcement on 16 March 2021. The Company will inform shareholders when there is any new development in due course.

31. 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 2020 were authorised for issue in accordance with a resolution of the directors dated 3 April 2021.

SHAREHOLDINGS STATISTICS

As at 22 March 2021

Issued and Fully Paid-Up Capital	-	S\$15,240,492
Number of Shares	-	241,660,000
Treasury Shares	-	Nil
Subsidiary Holdings Held	-	Nil
Class of Shares	-	Ordinary Shares
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%

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.27	100	0.00
100 - 1,000	28	3.78	17,600	0.01
1,001 - 10,000	145	19.57	1,003,900	0.41
10,001 - 1,000,000	548	73.95	61,785,800	25.57
1,000,001 AND ABOVE	18	2.43	178,852,600	74.01
TOTAL	741	100.00	241,660,000	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 22 March 2021, the percentage of shareholdings held in the hands of the public was approximately 42.12% and Rule 723 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

TOP 20 SHAREHOLDERS LIST

S/No	Name of Shareholder	Number of Shares	%*
1	LOW YIK JIN	71,115,000	29.43
2	DBS NOMINEES (PRIVATE) LIMITED	42,306,800	17.51
3	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	17,872,500	7.40
4	AMBER BLAZE LIMITED	12,500,000	5.17
5	KGI SECURITIES (SINGAPORE) PTE. LTD.	6,100,000	2.52
6	CHIEN CHUNG MING	4,678,600	1.94
7	PHILLIP SECURITIES PTE LTD	3,329,700	1.38
8	RAFFLES NOMINEES (PTE.) LIMITED	3,170,600	1.31
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,925,900	1.21
10	LIM & TAN SECURITIES PTE LTD	2,041,000	0.84
11	ASDEW ACQUISITIONS PTE LTD	2,000,000	0.83
12	CITIBANK NOMINEES SINGAPORE PTE LTD	1,981,100	0.82
13	IFAST FINANCIAL PTE. LTD.	1,791,100	0.74
14	CHEN TIK LUNG @ CHAN TIK LUNG	1,700,000	0.70
15	MARCUS NG KIM YEW	1,500,000	0.62
16	UOB KAY HIAN PRIVATE LIMITED	1,379,700	0.57
17	OCBC SECURITIES PRIVATE LIMITED	1,273,900	0.53
18	WONG SWEE KWONG	1,186,700	0.49
19	SIM JOO GEK DOLLY (SHEN RUYU)	973,900	0.40
20	ABN AMRO CLEARING BANK N.V.	902,800	0.37
	TOTAL	180,729,300	74.78

* The percentage of shareholdings is calculated based on the number of issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company as at 22 March 2021.

SHAREHOLDINGS STATISTICS

As at 22 March 2021

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	Percentage (%) ⁽¹⁾	Number of Shares	Percentage (%) ⁽¹⁾
Low Yik Sen ⁽²⁾	-	-	53,365,000	22.08
Low Yik Jin ⁽³⁾	71,115,000	29.43	2,750,000	1.14
Amber Blaze Limited	12,500,000	5.17	48,000,000	19.86
Lew Chern Yong ⁽⁴⁾	-	-	60,500,000	25.03

Notes:

- (1) The percentage of shareholdings is calculated based on the Company's issued share capital of 241,660,000 ordinary shares ("**Shares**") (excluding treasury shares and subsidiary holdings) as at 22 March 2021.
- (2) Mr. Low Yik Sen is deemed to be interested in 53,365,000 Shares held under custodian nominee account(s).
- (3) Mr. Low Yik Jin is deemed to be interested in 2,750,000 Shares held under custodian nominee account(s).
- (4) 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 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 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.

- (5) 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 Shares held by Amber Blaze Limited and the Call Option (as defined above in Note 4) 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 Wednesday, 28 April 2021 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 2020 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr. Lew Chern Yong as a Director of the Company retiring pursuant to Regulation 117 of the Company's Constitution.
[See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr. Low Yik Jin as a Director of the Company retiring pursuant to Regulation 117 of the Company's Constitution.
[See Explanatory Note (ii)] **(Resolution 3)**
4. To re-elect Mr. Edward Tiong Yung Suh as a Director of the Company retiring pursuant to Regulation 117 of the Company's Constitution.
[See Explanatory Note (iii)] **(Resolution 4)**
5. To approve the payment of Directors' fees of S\$95,000 (FY2019: S\$69,000) for the financial year ended 31 December 2020. **(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, Chapter 50 ("**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,

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,

NOTICE OF ANNUAL GENERAL MEETING

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)]

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)]

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

Wee Woon Hong
Company Secretary

Singapore,
13 April 2021

Explanatory Notes:

- (i) Mr. Lew Chern Yong will, upon re-election as a Director of the Company, remain as Executive Chairman and Director of the Company. Detailed information required on Mr. Lew Chern Yong pursuant to Rule 720(5) of the Catalist Rules set out on pages 47 to 54 in the Company's Annual Report 2020.
- (ii) Mr. Low Yik Jin will, upon re-election as a Director of the Company, remain as Chief Executive Officer and Executive Director of the Company. Detailed information required on Mr. Low Yik Jin pursuant to Rule 720(5) of the Catalist Rules set out on pages 47 to 54 in the Company's Annual Report 2020.
- (iii) Mr. Edward Tiong Yung Suh will, upon re-election as a Director of the Company, remain as Lead Independent Director of the Board, Chairman of the Remuneration Committee and member of the Audit and Nominating 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. Edward Tiong Yung Suh pursuant to Rule 720(5) of the Catalist Rules set out on pages 47 to 54 in the Company's Annual Report 2020.
- (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:-

Measures to Minimise Risk of Community Spread of 2019 Novel Coronavirus ("COVID-19"):

This AGM 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 Notice of AGM, Annual Report 2020 and Proxy Form are sent to Shareholders by electronic means and can be assessed at the Company's website at <https://yventures.com.sg> and SGX Website at <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will not be mailed to shareholders.

Due to the current COVID-19 restriction orders on Singapore, the Company is arranging for a live webcast and live audio feed of the Annual General Meeting proceedings (the "**Live AGM Webcast**" or the "**Live AGM Audio Feed**") which will take place on Wednesday, 28 April 2021 at 3:00 p.m. ("**AGM**") in place of a 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. **The Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.**

Shareholders will be able to participate in the AGM in the following manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

1. Shareholders may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, shareholders will need to pre-register at <https://www.meetings.vision/yventures-agm-registration> (the "**Registration Link**") by 3:00 p.m. on Sunday, 25 April 2021 (the "**Registration Deadline**") to enable the Company to verify their status.
2. Upon successful registration, shareholders will receive email instructions (including access link, user ID and password details) to the Live AGM Webcast or a phone number to access the Live AGM Audio Feed of the AGM proceedings by 3:00 p.m. on Tuesday, 27 April 2021.
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. Only one (1) person will be allowed to the Live AGM Webcast per registration.
4. Shareholders who register by the Registration Deadline (being no later than 3:00 p.m. on Sunday, 25 April 2021) but do not receive the abovementioned email instructions by 3:00 p.m. on Tuesday, 27 April 2021 should contact the Company by email to investor@yventures.com.sg for assistance.
5. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies ("**SRS Investors**"), and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) 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 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 instrument appointing a proxy or proxies 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) email to investor@yventures.com.sg; or
 - (b) mail (post) at the Company's registered office at 1, Lorong 2 Toa Payoh, #05-06 Braddell House, Singapore 319637,

in each case, not less than 72 hours before the time appointed for holding the AGM i.e. by 3:00 p.m. on Sunday, 25 April 2021.

A shareholder who wishes to submit an instrument of proxy 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.

In view of the current COVID-19 situation, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

6. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including the 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, through which they hold such shares to submit their voting instructions at least seven (7) working days before the date of AGM (i.e. by 3:00 p.m. on Monday, 19 April 2021) 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 the cut-off date (i.e. 3:00 p.m. on Sunday, 25 April 2021).
7. The Company shall be entitled to reject the instrument 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 instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).
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 fixed for holding the AGM in order for the Depositor to be entitled to access the Live AGM Webcast and attend and vote by appointing the Chairman of the AGM as proxy.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions:

1. Please note that shareholders will not be able to ask questions during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.
2. Shareholders may submit questions relating to the items on the Resolutions set out in the Notice of AGM in advance. All questions must be submitted to the Company via the Registration Link by the Registration Deadline (being no later than 3:00 p.m. on Sunday, 25 April 2021).
3. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.
4. The Company will endeavour to address the substantial and relevant questions before the AGM. The responses to such questions from shareholders will be posted on the SGXNet and the Company's website before the date of the AGM.
5. The Company will endeavour to, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website.

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.

The Company seeks the understanding and cooperation of all shareholders in enabling the Company to hold the AGM with the optimum safe distancing measures to minimise the risk of community spread of COVID-19.

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.

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

**PROXY FORM
ANNUAL GENERAL MEETING**

IMPORTANT:

1. The Annual General Meeting is convened and is to 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.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via Live AGM Webcast or Live AGM Audio Feed, submission of questions to the Chairman of the Annual General Meeting in advance of the Annual General Meeting, and voting by appointing the Chairman of the Annual General Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 13 April 2021. This announcement may be accessed via the SGX website at <https://www.sgx.com/securities/company-announcements> or in the Notice of AGM dated 13 April 2021.
3. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the Annual General Meeting in person. A shareholder (whether individual or corporate) including a Relevant Intermediary (as defined in Section of the Companies Act, (Cap. 50) of Singapore) who wishes to exercise his/her/its voting rights at the forthcoming Annual General Meeting must appoint the Chairman of the Annual General Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.
4. An Investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") (including persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50) of Singapore) and wishes to vote should approach their respective SRS Operators or relevant intermediaries to submit their votes by 3:00 p.m. on Monday, 19 April 2021 (being seven (7) working days before the Annual General Meeting).
5. 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 of the Company as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held by electronic means on Wednesday, 28 April 2021 at 3:00 p.m. (the "**AGM**") and at any adjournment thereof.

I/We* direct the Chairman of the AGM to vote for or against or abstain from voting 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 2020 together with the Independent Auditors' Report thereon			
2.	Re-election of Mr. Lew Chern Yong as Director			
3.	Re-election of Mr. Low Yik Jin as Director			
4.	Re-election of Mr. Edward Tiong Yung Suh as Director			
5.	Approval of payment of Directors' Fees of S\$95,000 for the financial year ended 31 December 2020			
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 pursuant to Section 161 of the Companies Act (Chapter 50) of the Republic of Singapore			
8.	Authority to grant awards and to allot and issue shares in accordance with the provisions of the Y Ventures Performance Share Plan			

*Delete where inapplicable

**Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box 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 _____ 2021

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the AGM in person. A shareholder of the Company (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, 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 (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), 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 instrument of proxy 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 member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy, duly executed, must be deposited either:
 - (a) by email to investor@yventures.com.sg; or
 - (b) by mail (post) at the Company's registered office at 1, Lorong 2, Toa Payoh, #05-06 Braddell House, Singapore 319637,

not less than 72 hours before the time appointed for holding the AGM, i.e. by 3:00 p.m., Sunday, 25 April 2021.

In view of the current COVID-19 situation, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the AGM as proxy must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where such instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or by an officer on behalf of the corporation.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy 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, (Chapter 50) of the Republic of Singapore.
8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, 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 agent banks approved by CPF under the Supplementary Retirement Scheme ("**SRS Operators**"), to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 3:00 p.m. on Monday, 19 April 2021 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 the cut-off date.
9. The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy (including any related attachment or supporting documents). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy 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 an instrument appointing the Chairman of the AGM as proxy, 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 2021.





Y-VENTURES
FIND YOUR EDGE

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