Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Y Ventures Group Ltd.

Stock code: 1F1

Meeting details:
Date: 28 April 2021
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As shown in the corporate profile, the group has three main businesses, namely e-commerce retail and distribution, logistics and freight forwarding and waste management services. In the main core business of sales of books on online marketplaces, the group achieved external revenue of US$34.6 million (page 134 – Segment information).

(i) **What are the types of books being sold online by the group? What are the best-selling books and journals? How many titles does the group hold in its inventory?**

(ii) **Which online marketplaces contribute to the bulk of the group's revenue?**

(iii) **To better understand the group's core business, can management present a case study during the AGM to show how it has helped its supplier/principal (i.e. publisher) achieve better sales?**

(iv) **Separately, can management help shareholders understand the strategic value of the group's waste management business, Skap Waste Management Pte. Ltd. in its long term plans?**

Q2. As disclosed in the financial review (page 4), revenue increased by 41.8% to US$35.0 million in FY2020. The increase in revenue from the sales of goods in FY2020 was mainly attributable to book sales that amounted to US$23.3 million in FY2019 as compared to US$34.5 million in FY2020.

18 Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	US$	US$	**US$**	US$
Trade receivables				
- third parties	**406,207**	169,481	**–**	–
- subsidiary	**–**	–	**675,338**	530,300
	406,207	169,481	**675,338**	530,300

(Source: company annual report)

As shown in Note 18 (page 117 – Trade and other receivables), trade receivables from third parties increased significantly from US$169,481 to US$406,207.

(i) **Can management help shareholders understand the reasons for the increase?**

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(ii) It was also disclosed that the group receives payments from customers based on a billing schedule as established in contracts. **What are the credit terms offered to its customers?**

(iii) **Can management disclose the identity/profile of the debtor who accounted for 85% of the trade receivables as at 31 December 2020?**

Q3. The company disclosed that the internal audit function was outsourced to Yang Lee & Associates for FY2020. The internal auditors report primarily to the chairman of the audit committee (AC) and have unfettered access to all the group's corporate documents, records, properties and personnel including the AC. The AC has 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.

(i) **Can the AC help shareholders understand the scope of the internal audit plan? Which operations/businesses were included in the scope for 2020?**

(ii) **What were the main findings by the internal auditor?**

In addition, on 16 March 2021, the company announced the findings of the independent reviewer's report. The misstatements amounting to US$1.3 million in 2018 were due to reasons such as ineffective monitoring of inventory balance, inadequate review of accounting entries, weaknesses in procurement and payment process. SGX RegCo has stated that it will investigate the potential listing rule breaches by the company, its directors and/or key executive officers as highlighted in Deloitte's report.

The audit committee comprises Goh Cher Shua (chairman), Edward Tiong Yung Suh (appointed on 29 May 2017), Ng Tiong Gee (appointed on 29 May 2017) and Tan Jia Kien.

(iii) **How did the AC review and justify its view of the adequacy and effectiveness of the group's internal controls?**

(iv) **For directors who were audit committee members during the 2017/2018 period which was reviewed by the independent reviewer, how have the systems and processes of the AC and of the group been improved?**

(v) **Specifically, is the AC satisfied with the implementation of the inventory management system? What level of oversight does the AC provide to ensure compliance with the procedures in the SOP for inventory management?**

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)