Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Y Ventures Group Ltd.

Stock code: 1F1

Meeting details:
Date: 22 Apr 2024
Time: 10.00 a.m.
Venue: 11 Eunos Road 8, Lifelong Learning Institute (Level 1, Training Room 1-2), Singapore 408601

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Q1. Despite revenue growth of 5.1% to $22.6 million, and gross profit margin improving to 41.7%, the group continued to report a loss of US$(0.41) million for the financial year ended 31 December 2023. In the past three years, the group reported losses of US$(1.49) million in 2022 and US$(1.53) million in 2021, with losses totally US$(3.43) million.

	Revenue	Gross profit margin	(Loss)/profit for the year
FY2019	US$24.7 million	38.9%	US$(1.7) million
FY2020	US$35.02 million	40.2%	US$0.85 million
FY2021	US$30.52 million	38.2%	US$(1.53) million
FY2022	US$21.53 million	36.5%	US$(1.49) million
FY2023	US$22.63 million	41.7%	US$(0.41) million

(Source: company annual reports)

(i) **Aside from implementing stringent cost control measures, what is management's strategy to restore the group to profitability?**

(ii) **Has management examined the reasons behind the 13% increase in selling and distribution expenses to US$7.2 million (page 4; Financial review), which is significantly higher than the 5.1% revenue increase? Considering the group's ongoing focus on operational efficiency, what factors contributed to the higher inventory for the period which led to increased storage cost? Has the group been able to harness data insights to meet the changing needs of the business partners effectively?**

(iii) **Please provide shareholders with a list of the URLs of all the major storefronts on Amazon (including Amazon US, UK and Canada) or other ecommerce platforms.**

(iv) **Considering the lack of profitability in the past 3 years under the current business model, would it be premature for the group to expand into new countries?**

(v) **Has the board assessed the risks associated with the group's proposed expansion into other European regions, which may primarily be non-English speaking? How does the group plan to mitigate these risks?**

(vi) **What is the total amount of investment earmarked for its expansion?**

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Q2. As disclosed in Note 17 Trade and other receivables, the company recognised allowance for impairment of trade receivables from subsidiary of US$595,847 and amounts due from subsidiaries of US$3,252,321.

17 Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	US$	US$	**US$**	US$
Trade receivables				
- Third parties	**373,910**	229,679	**–**	–
- Subsidiary	**–**	–	**835,243**	174,537
	373,910	229,679	**835,243**	174,537
Less: Allowance for impairment	**–**	–	**(595,847)**	–
	373,910	229,679	**239,396**	174,537
Advance to suppliers	**484,694**	310,472	**–**	–
Deposits	**52,765**	47,911	**22,713**	21,234
Due from subsidiaries	**–**	–	**3,252,321**	2,446,806
GST receivables	**29,275**	62,166	**–**	–
Other receivables	**898,328**	80,180	**–**	–
Prepayments	**43,758**	59,989	**42,275**	54,262
	1,508,820	560,718	**3,317,309**	2,522,302
Less: Allowance for impairment	**–**	–	**(3,252,321)**	(1,104,000)
	1,508,820	560,718	**64,988**	1,418,302
	1,882,730	790,397	**304,384**	1,592,839

(Source: annual report; emphasis added)

(i) **Could management provide further explanation for the impairments of trade receivables and amounts due from subsidiary(ies), totalling nearly US$3.85 million as at 31 December 2023? What were the underlying economic conditions that justified these impairments?**

(ii) **Did the company disburse US$805,515 to subsidiaries in FY2023, only to impair it in the same financial year, and for a total of US$2.15 million in FY2023 or US$3.25 million in total?**

(iii) **Were the risks associated with the cash disbursement to the subsidiaries communicated to the audit committee, and did they approve the disbursement to the subsidiaries in FY2023?**

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Q3. On 23 October 2023, SGX-ST Listings Disciplinary Committee reprimanded the company for breaching certain Catalist Rules and the former chief financial officer and current and former directors for causing the company to breach several Catalist Rules.

The regulatory action and the grounds of decision can be read here:

https://links.sgx.com/FileOpen/20231020%20Regulatory%20Action%20former%20CFO%20and%20former%20and%20current%20Directors.ashx?App=Announcement&FileID=775564

https://links.sgx.com/FileOpen/SGX-LDC-2022-004%20-%20Grounds%20of%20Decision.ashx?App=Announcement&FileID=775563

As noted in the announcements, the company had engaged PricewaterhouseCoopers Risk Services Pte Ltd ("PwC") to conduct a limited scope internal controls review of the group as part of the listing and Baker Tilly TFW LLP ("Baker") as its auditors to prepare the financial statements for FY2014, FY2015 and FY2016.

In addition, Deloitte & Touche Enterprise Risk Services Pte Ltd ("Deloitte") was appointed by the company to perform certain Agreed Upon Procedures in response to queries raised by the Exchange in relation to the Restated HY2018 results.

(i) **Can the board/audit committee disclose all the recommendations made by PwC, Baker and Deloitte, such as establishing a proper Inventory Management System as recommended by Baker?**

(ii) **What is the status of the progress of the implementation of these recommendations?**

(iii) **How does the audit committee monitor the group's compliance with the Standard Operating Procedures, frameworks, policies and procedures?**

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