

Enterprise Risk Management

Yehey! Corporation's principal financial instruments comprise cash and cash equivalents, unquoted debt security, AFS investments, derivative asset and derivative liability. The Company has various other financial assets and liabilities such as trade and other receivables, deposits and accounts payable and other current liabilities, which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, credit risk and market risk. The BOD reviews and approves the policies for managing each risk and these are summarized below:

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, the Company closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due. The Company also has a committed line of credit that it can access to meet liquidity needs. Also, the Parent Company is committed to support the Company's operations and working capital requirements.

Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. For transactions that involve special credit terms arrangement, the Company requires approval of the BOD. In addition, aging of receivables are reviewed on a monthly basis with the result that the Company's exposure to bad debts is not significant.

Market Risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in market prices (price risk), foreign exchange rates (currency risk) and market interest rates (interest rate risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Foreign Currency Risk

The Company has transactional currency exposures and maintains several U.S. dollar (US\$) accounts to manage its foreign currency denominated transactions.

Equity price risk

Equity price risk is the risk that the fair value of quoted AFS investments will fluctuate as the result of changes in the value of individual stocks. The Company's exposure to equity price risk relates primarily to the Company's quoted AFS investments.