



Y VENTURES GROUP LTD.
(Company Registration No. 201300274R)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2018

Y Ventures Group Ltd. (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 11 July 2017. The initial public offering of the Company (the “IPO”) was sponsored by RHT Capital Pte. Ltd. (the “Sponsor” or “RHTC”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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

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Background

The Company was incorporated in Singapore on 2 January 2013 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name of Y Ventures Group Pte. Ltd. On 6 June 2017, our Company was converted into a public company limited by shares and our name was changed to Y Ventures Group Ltd. The Company and its subsidiaries (the “Group”), were formed pursuant to a restructuring exercise which was conducted to rationalise the Group’s structure (the “**Restructuring Exercise**”) prior to the Company’s IPO and listing on Catalist of the SGX-ST. Please refer to the Company’s offer document dated 30 June 2017 for further details on the Restructuring Exercise.

The Group is a data analytics driven, e-commerce retailer and distributor specialising in online retail data analytics, marketing, distribution and sale of a wide range of merchandises, under third party brands and the Group’s private label, mainly under the product categories of (i) books publishing; (ii) home and décor; and (iii) fast moving consumer goods.

To support the e-commerce retail and distribution business, the Group works closely with third party logistics companies and last-mile fulfilment service providers for its warehousing and order fulfilment requirements and from time to time provides logistics and freight forwarding services to third party customers. Further, the Group also provides waste management services in Singapore.



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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group		Increase / (Decrease) %
	Unaudited	Audited	
	FY2018	FY2017	
	US\$	US\$	
Revenue	18,065,847	14,122,859	27.9
Cost of sales	(12,563,641)	(8,248,564)	52.3
Gross profit	5,502,206	5,874,295	(6.3)
Other income	1,060,811	126,576	738.1
Selling and distribution expenses	(5,257,918)	(3,349,948)	57.0
Administrative expenses	(5,104,228)	(3,517,348)	45.1
Finance costs	(76,436)	(20,321)	276.1
Loss before tax	(3,875,565)	(886,746)	337.1
Tax expense	(14,854)	(22,005)	(32.5)
Loss for the year ⁽³⁾	(3,890,419)	(908,751)	328.1
Other comprehensive (loss)/income for the year, net of tax			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	(139)	18,284	NM
Total comprehensive loss for the year	(3,890,558)	(890,467)	336.9
Loss attributable to:			
Equity holders of the company	(3,602,994)	(787,433)	357.6
Non-controlling interests	(287,425)	(121,318)	136.9
	(3,890,419)	(908,751)	328.1
Total comprehensive loss attributable to:			
Equity holders of the company	(3,603,232)	(769,069)	368.5
Non-controlling interests	(287,326)	(121,398)	136.7
	(3,890,558)	(890,467)	336.9

Notes:

- (1) NM - Not Meaningful
- (2) FY denotes financial period from 1 January to 31 December
- (3) The Group recorded a loss for FY2017 due to US\$907,288 of IPO expenses incurred and the impairment loss of property, plant and equipment ("PPE") of US\$180,495. Without taking into account the IPO expenses and impairment loss, the Group would have recorded a profit for the year of US\$179,032 for FY2017.

1(a)(ii) Notes to Combined Statements of Comprehensive Income

The Group's net loss was arrived after charging/(crediting) the following:

	The Group		Increase / (Decrease) %
	Unaudited	Audited	
	FY2018	FY2017	
	US\$	US\$	
Rental expense on operating lease	212,731	79,150	168.8
Depreciation of property, plant and equipment	112,458	87,939	27.9
IPO expenses	-	907,288	NM
Impairment loss of property, plant and equipment	-	180,495	NM
Impairment loss on investment in financial assets at fair value through other comprehensive income	29,001	-	NM
Interest expenses	76,436	20,321	276.1
Foreign exchange loss	54,304	128,243	(57.7)
Allowances for doubtful receivables (trade)	267,377	-	NM
Allowances for obsolete inventories	247,909	-	NM
Amortisation of intangible assets	122,329	36,404	236
Bad debts written off	105,452	-	NM
Interest income	(477)	(9,207)	(94.8)
Write-back of allowance for doubtful debts (non-trade)	-	(129,562)	NM
Gain on disposal of a subsidiary	(852,289)	-	NM
Allowance for doubtful receivables (non-trade)	294,653	-	NM
Property, plant and equipment written off	6,581	-	NM
Goodwill written off	-	408	NM

Note:

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited 31 Dec 18 US\$	Audited 31 Dec 17 US\$	Unaudited 31 Dec 18 US\$	Audited 31 Dec 17 US\$
ASSETS				
Current assets				
Inventories	9,587,171	6,060,250	-	-
Trade and other receivables	1,084,691	1,304,960	4,527,792	6,087,829
Cash and bank balances	1,132,030	882,608	52,033	429,399
	11,803,892	8,247,818	4,579,825	6,517,228
Non-current assets				
Property, plant and equipment	1,333,910	1,342,362	-	-
Intangible assets	305,019	213,432	-	-
Investments in subsidiaries	-	-	2,344,808	2,567,068
	1,638,929	1,555,794	2,344,808	2,567,068
Total assets	13,442,821	9,803,612	6,924,633	9,084,296
LIABILITIES				
Current liabilities				
Trade and other payables	6,888,981	1,947,395	129,288	2,287,543
Tax payable	190,374	400,353	-	-
Borrowings	1,947,367	36,834	-	-
	9,026,722	2,384,582	129,288	2,287,543
Non-current liabilities				
Borrowings	915,888	942,602	-	-
Deferred tax liabilities	30,686	30,686	-	-
	946,574	973,288	-	-
Total liabilities	9,973,296	3,357,870	129,288	2,287,543
NET ASSETS	3,469,525	6,445,742	6,795,345	6,796,753
EQUITY				
Share capital	8,856,288	7,941,947	8,856,288	7,941,947
Currency translation reserve	(6,040)	(5,802)	-	-
Merger reserve ⁽¹⁾	(2,455,477)	(2,455,477)	-	-
Retained earnings / (Accumulated losses) ⁽²⁾	(2,912,046)	690,948	(2,060,943)	(1,145,194)
Equity attributable to equity holders of the Company	3,482,725	6,171,616	6,795,345	6,796,753
Non-controlling interests	(13,200)	274,126	-	-
Total equity	3,469,525	6,445,742	6,795,345	6,796,753

Notes:

- (1) The merger reserve represents the difference between consideration paid by the Company and the share capital of the subsidiaries acquired under common control.
(2) The accumulated losses of the Company resulted from the listing expenses incurred in connection with the IPO.

1(b)(ii) Aggregate amount of group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amounts repayable in one year or less, or on demand

As at 31 Dec 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
1,947,367	-	36,834	-

Amounts repayable after one year

As at 31 Dec 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
915,888	-	942,602	-

Details of any collateral

As at the balance sheet date, the total borrowings of the Group is secured by way of a first legal mortgage over the Group’s freehold property at 46 East Coast Road Unit #09-06, Singapore 428766, inventories, joint and several guarantees from certain directors of the Company and a corporate guarantee for S\$3,600,000 executed by the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FY2018	FY2017
	US\$	US\$
Cash flows from operating activities:		
Loss before tax	(3,875,565)	(886,746)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	112,458	87,939
Impairment loss of property, plant and equipment	-	180,495
Amortisation of intangible assets	122,329	36,404
Property, plant and equipment written off	6,581	-
Impairment loss on investment in financial assets at fair value through other comprehensive income	29,001	-
Gain on disposal of a subsidiary	(852,289)	-
Bad debts written off	105,452	-
Interest income	(477)	(9,207)
Interest expense	76,436	20,321
Goodwill written off	-	408
Unrealised exchange (loss)/gain	(10,793)	50,448
Operating cash flows before movements in working capital	(4,286,867)	(519,938)
<u>Working capital changes:</u>		
Inventories	(3,526,921)	(3,428,583)
Receivables	10,822	(483,675)
Payables	5,610,040	337,876
Currency translation adjustments	2,661	(4,271)
Cash used in operations	(2,190,265)	(4,098,591)
Income tax paid	(224,833)	(15,142)
Interest received	477	9,207
Net cash used in operating activities	(2,414,621)	(4,104,526)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(111,705)	(85,586)
Purchases of intangible assets	(214,290)	(249,836)
Net cash outflow on acquisition of a subsidiary	-	(324)
Net cash inflow on disposal of a subsidiary	287,830	-
Purchases of investment in financial assets	(29,001)	-
Net cash used in investing activities	(67,166)	(335,746)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
Cash flows from financing activities:

Repayments of borrowings	(153,827)	(35,542)
Proceeds from issuance of shares, net	914,341	5,178,528
Proceeds from borrowings	1,396,911	-
Subscription for shares in subsidiary by a non-controlling interest	-	148,211
Net decrease of amounts due to directors	-	(307,821)
Interest paid	(76,436)	(20,321)
Dividends paid to shareholders before Restructuring Exercise	-	(600,000)
Net cash from financing activities	2,080,989	4,363,055

FY2018	FY2017
US\$	US\$
(153,827)	(35,542)
914,341	5,178,528
1,396,911	-
-	148,211
-	(307,821)
(76,436)	(20,321)
-	(600,000)
2,080,989	4,363,055
(400,798)	(77,217)
882,608	937,535
(1,308)	22,290
480,502	882,608

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of financial year	882,608	937,535
Effects of exchange rates changes in cash and cash equivalents	(1,308)	22,290
Cash and cash equivalents at end of financial year	480,502	882,608

Cash and cash equivalents at end of financial year comprise of:

Cash and bank balances	1,132,030	882,608
Bank overdraft	(651,528)	-
	480,502	882,608

FY2018	FY2017
US\$	US\$
1,132,030	882,608
(651,528)	-
480,502	882,608

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

The Group	Share capital	Currency translation reserve	Retained earnings/ (Accumulated losses)	Merger reserve	Equity attributable to equity holders of the company	Non-controlling interests	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 1 January 2018	7,941,947	(5,802)	690,948	(2,455,477)	6,171,616	274,126	6,445,742
Loss for the year	-	-	(3,602,994)	-	(3,602,994)	(287,425)	(3,890,419)
Other comprehensive loss							
Currency translation differences from consolidation	-	(238)	-	-	(238)	99	(139)
Total comprehensive loss for the period	-	(238)	(3,602,994)	-	(3,603,232)	(287,326)	(3,890,558)
Issuance of shares	914,341	-	-	-	914,341	-	914,341
At 31 December 2018	8,856,288	(6,040)	(2,912,046)	(2,455,477)	3,482,725	(13,200)	3,469,525

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Group	Share capital	Currency translation reserve	Retained earnings/ (Accumulated losses)	Merger reserve	Equity attributable to equity holders of the company	Non-controlling interest	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 1 January 2017	307,942	(24,166)	2,078,381	-	2,362,157	246,955	2,609,112
Loss for the year	-	-	(787,433)	-	(787,433)	(121,318)	(908,751)
Other comprehensive income							
Currency translation differences arising from consolidation	-	18,364	-	-	18,364	(80)	18,284
Total comprehensive loss for the year	-	18,364	(787,433)	-	(769,069)	(121,398)	(890,467)
Issuance of ordinary shares pursuant to the Restructuring Exercise	2,564,790	-	-	-	2,564,790	-	2,564,790
Dividends paid before Restructuring Exercise	-	-	(600,000)	-	(600,000)	-	(600,000)
Adjustments pursuant to the Restructuring Exercise	(256,219)	-	-	(2,455,477)	(2,711,696)	-	(2,711,696)
Issuance of ordinary shares pursuant to initial public offering	5,677,210	-	-	-	5,677,210	-	5,677,210
Capitalisation of share issuance expenses	(351,776)	-	-	-	(351,776)	-	(351,776)



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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Group	Share capital	Currency translation reserve	Retained earnings/ (Accumulated losses)	Merger reserve	Equity attributable to equity holders of the company	Non-controlling interests	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Changes in ownership interest in subsidiaries							
Acquisition of a subsidiary	-	-	-	-	-	358	358
Incorporation of a subsidiary	-	-	-	-	-	148,211	148,211
Total charge in ownership interest in subsidiaries	-	-	-	-	-	148,569	148,569
At 31 December 2017	7,941,947	(5,802)	690,948	(2,455,477)	6,171,616	274,126	6,445,742

STATEMENT OF CHANGES IN EQUITY

The Company	Share capital	Accumulated losses	Total
	US\$	US\$	US\$
At 1 January 2018	7,941,947	(1,145,194)	6,796,753
Net loss and comprehensive loss for the year	-	(915,749)	(915,749)
Issuance of shares	914,341	-	914,341
At 31 December 2018	8,856,288	(2,060,943)	6,795,345
At 1 January 2017	51,723	(108,580)	(56,857)
Net loss and comprehensive loss for the year	-	(1,036,614)	(1,036,614)
Issuance of ordinary shares pursuant to the Restructuring Exercise	2,564,790	-	2,564,790
Issuance of ordinary shares pursuant to initial public offering	5,677,210	-	5,677,210
Capitalisation of share issuance expenses	(351,776)	-	(351,776)
At 31 December 2017	7,941,947	(1,145,194)	6,796,753

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares of the Company	Number of shares	Resultant issued and paid-up share capital S\$
As at 1 January 2018	200,000,000	11,198,100 ⁽¹⁾
Issuance of new shares on 5 February 2018	5,000,000	12,398,100
Balance as at 31 December 2018	205,000,000	12,398,100

Note:

- (1) Based on the gross proceeds raised pursuant to the IPO, before taking into account the capitalisation of approximately S\$0.5 million, being a portion of the expenses incurred in relation to the IPO.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2018 and 31 December 2017.

The Company did not have any subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company's total number of issued and paid up share capital as at 31 December 2018 was 205,000,000 ordinary shares (31 December 2017: 200,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditor of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditor.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group’s financial statements for the current financial year compared to the audited financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group’s financial statements for the financial year ended 31 December 2018 is prepared in accordance with the Singapore Financial Standards (International) (“SFRS(I)”).

The Group has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there are no change to the Group’s current accounting policies under the financial reporting standards in Singapore or material adjustment on the initial transition of the new framework.

Other than the adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share (“EPS”)	The Group	
	FY2018	FY2017
Loss attributable to equity holders of the Company (US\$)	(3,602,994)	(787,433)
Weighted average number of ordinary shares	204,506,849	200,000,000 ⁽¹⁾
Basic and diluted EPS (cents) ⁽²⁾	(1.8)	(0.4)

Notes:

(1) The calculation for FY 2017 the basic and diluted EPS are based on the post-IPO share capital of 200,000,000.
(2) The basic and diluted EPS were the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial years.



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7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

Net asset value ("NAV") per ordinary share	Group		Company	
	31 Dec 18	31 Dec 17	31 Dec 18	31 Dec 17
NAV attributable to equity holders of the Company (US\$)	3,482,725	6,171,616	6,795,345	6,796,753
Number of ordinary shares	205,000,000	200,000,000	205,000,000	200,000,000
NAV per ordinary share based on issued share capital (cents)	1.7	3.1	3.3	3.4

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE (CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)

Revenue

The Group's revenue increased by approximately US\$4.0 million or 27.9% from US\$14.1 million in FY2017 to US\$18.1 million in FY2018. The rise was mainly due to an increase from the sales of goods on online marketplaces.

The breakdown of revenue is as follows:

Revenue	The Group	
	FY2018	FY2017
	US\$	US\$
Sales of goods	17,512,504	13,614,897
Service income	553,343	507,962
	18,065,847	14,122,859

The increase in the sales of goods was mainly due to the books sales amounting to approximately US\$14.6 million in FY2018 as compared to US\$12.0 million in FY2017. This was the result of the successful onboarding of new books publishers in FY2018. Non-books sales accounted for the balance of US\$2.9 million in FY2018 as compared to US\$1.6 million in FY2017. The increase was mainly attributable to revenue contributed by the Group's subsidiary, Faire Holdings Pte. Ltd., which is involved in the Faire leather brand, and the increase in product sales on online market places in South East Asia.

The Group's revenue from service income is largely derived from our waste management services which have remained relatively stable.



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Cost of sales

The costs of sales increased by approximately US\$4.4 million or 52.3% from US\$8.2 million in FY2017 to US\$12.6 million in FY2018 mainly due to an increase in costs of products, logistics, inward freight and handling charges as well as allowance for obsolete inventories.

Gross profits

The Group's gross profits decreased by US\$0.4 million or 6.3% from US\$5.9 million in FY2017 to US\$5.5 million in FY2018. The gross profit margin for FY2018 and FY2017 were approximately 30.5% and 41.6% respectively.

The decrease in the gross profit margins were mainly due to the Group reducing the selling price of books in FY2018 to gain market share in the various online market places. Additionally, the increased competition and the impact of the trade war resulted in pressures on gross profit margin for the Non-books category.

The gross profit margin for service income remained largely stable.

Other income

The other income increased by US\$0.9 million or 738.1% from US\$0.1 million in FY2017 to US\$1.1 million in FY2018 mainly due to the divestment of the Company's shareholding interest in Luminore 8 Pte. Ltd. to approximately 20.0% which resulted a net gain on disposal of US\$0.9 million.

Selling and distribution expenses

The selling and distribution expenses increased by US\$2.0 million or 57.0% from US\$3.3 million in FY2017 to US\$5.3 million in FY2018. This was mainly due to a rise in the selling fees charged by the online market places, increased outward freight charges from the increase in sales as well as increased in marketing and advertising expenses incurred in gaining market share in the new online market places in South East Asia which the Group expanded into in FY2018.

Administrative expenses

Administrative expenses increased by US\$1.6 million or 45.1% from US\$3.5 million in FY2017 to US\$5.1 million in FY2018 largely due to the one-off expenses which include allowance for doubtful receivable, bad debts written off, impairment loss of financial asset carrying at fair value and professional fees. The increase in professional fees were largely incurred by Luminore 8 before the divestment by the Group to approximately 20.0%.

The Group had expanded into new geographical areas, namely the People's Republic of China and Malaysia with a view to expand its business leading to the incurrence of one-time start-up costs and certain expenses that are not expected to recur moving forward.

Further, the Group had placed resources into R&D for the development of new brands/products and technology tools to embark on a supplementary services-based model for the e-commerce business.

Lastly, in order to support the expanded scope of business, the Group had increased its headcount which resulted in an increase in manpower cost from approximately US\$1.5 million in FY2017 to US\$2.3mil in FY2018.



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Finance costs

Finance costs increase by US\$56,115 or 276.1% from US\$20,321 in FY2017 to US\$76,436 in FY2018 mainly due to utilisation of credit facilities.

Loss after tax

The loss after tax in FY2018 of approximately US\$3.9 million was mainly due to lower profit margin and higher selling and distribution as well as administrative expenses.

REVIEW OF FINANCIAL POSITION (STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets increased by 43.1% or US\$3.6 million from US\$8.2 million as at 31 December 2017 to US\$11.8 million as at 31 December 2018 mainly due to the increase in inventories and cash and bank balances, offset by the decrease in trade and other receivables.

Inventories had increased as a result of the increase in books stocks in anticipation of higher sales in FY2019.

Non-current assets

Non-current assets increased by approximately 5.3% or US\$83,135 as at 31 December 2018 as compared to 31 December 2017 mainly due to the additions of intangible assets which is offset by amortisation.

Current liabilities

The current liabilities increased by approximately 278.5% or US\$6.6 million from US\$2.4 million as at 31 December 2017 to US\$9.0 million as at 31 December 2018. The increase was mainly due to suppliers extending credit to the Group due to the improvement in the working relationship as well as the Group having drawn on its credit lines to fund the increase in its books stock.



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Working capital

The group had working capital of US\$2.8 million as at 31 December 2018 as compared to US\$5.9 million as at 31 December 2017. The decrease is attributable to higher borrowings and increase in trade and other payables, offset by the increase in inventories and cash and bank balances.

Shareholders' equity

The group's shareholders equity decreased by approximately 43.6% or US\$2.7 million from US\$6.2 million as at 31 December 2017 to US\$3.5 million as at 31 December 2018 mainly due to the loss for the year which was offset by the issuance of shares pursuant to the placement of 5,000,000 new ordinary shares to R3 Asian Gems.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENTS OF CASH FLOWS)

Net cash flow used in operating activities for FY2018 was US\$2.4 million, comprising mainly operating cash flow before working capital of approximately US\$4.3 million and offset by working capital inflow of US\$2.2 million. The working capital inflow was largely due to increase in trade and other payables of US\$5.6 million and offset by the increase in inventories of US\$3.5 million. The net cash generated from financing activities of US\$2.1 million was from the issuance of shares and proceeds from borrowings, offset by the repayment of mortgage loan and payment of interest on borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. The Group has not issued any forecast or prospect statement to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will be focusing its efforts on the online distribution of books and embarking on the supplementary services based model for its e-commerce business. In addition, the Group will be actively consolidating the distribution of non-books categories while remaining vigilant on cost and cashflow management. The Group will also streamline its operations to improve cost and operating efficiency.

The Group may also seek related opportunities to grow its business through strategic alliances with new brand partners to strengthen its revenue streams.

As announced on 1 February 2019, the Company will be appointing an independent reviewer to review the internal controls of the Group and assess the impact, if any, of such adjustments to prior years' financial statements as disclosed in the IPO offer document and to-date. The Company is currently in discussions with potential professionals regarding the appointment of the independent reviewer. The Company will provide further updates to the Shareholders of the Company when there are material developments.

- 11. If a decision regarding dividend has been made:-**
- (a) Whether an interim (final) dividend has been declared (recommended); and**
- None.
- (b) (i) Amount per share in cents**
- Not applicable
- (ii) Previous corresponding period in cents**
- Not applicable.
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
- Not applicable.
- (d) The date the dividend is payable**
- Not applicable.
- (e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**
- Not applicable.
- 12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**
- As the Company was in a loss-making position in FY2018, the Board has not declared any dividend for FY2018.
- 13. If the Group has obtained a general mandate from shareholders for interested persons transactions (“IPT”) the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
- The Group has not obtained a general mandate from shareholders for IPT.

14. Use of Placement Proceeds

The Company received proceeds of S\$1.2 million from R3 Asian Gems as announced on 11 January 2018, 31 January 2018 and 5 February 2018 and the utilisation of the proceeds as at the date of this announcement is as follows, as announced on 14 August 2018:

Use of proceeds from R3 Asian Gems	Amount allocated S\$'000	Amount Utilised S\$'000	Amount unused S\$'000
General working capital (comprising administrative expenses and purchase of products)	1,200	1,200	-
	1,200	1,200	-

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1))

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.



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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

FY2018 (Unaudited):

	E-commerce retail and distribution US\$	Logistics and freight forwarding services US\$	Waste management services US\$	Others US\$	Eliminations US\$	Total US\$
Revenue						
External customers	17,512,504	42,012	511,331	-	-	18,065,847
Intersegment Sales	-	421,613	-	-	(421,613)	-
Total revenue	17,512,504	463,625	511,331	-	(421,613)	18,065,847
Segment (loss)/profit:	(3,373,658)	115,470	120,602	(914,017)	487,261	(3,564,342)
Depreciation	(88,365)	(4,922)	(17,439)	(1,732)	-	(112,458)
Amortisation	(122,329)	-	-	-	-	(122,329)
Finance costs	(76,436)	-	-	-	-	(76,436)
Loss before tax						(3,875,565)
Income tax expense						(14,854)
Loss for the year						<u>(3,890,419)</u>
Assets						
Segment assets	10,729,793	494,015	165,541	6,924,633	(4,871,161)	13,442,821
Total assets:						<u>13,442,821</u>
Liabilities						
Segment liabilities	9,743,961	93,109	58,649	129,288	(51,711)	9,973,296
Total liabilities:						<u>9,973,296</u>

FY2017 (Audited):

	E-commerce retail and distribution US\$	Logistics and freight forwarding services US\$	Waste management services US\$	Others US\$	Eliminations US\$	Total US\$
Revenue						
External customers	13,614,896	13,884	494,079	-	-	14,122,859
Intersegment Sales	-	752,899	-	-	(752,899)	-
Total revenue	13,614,896	766,783	494,079	-	(752,899)	14,122,859
Segment profit/(loss):	417,388	7,758	49,881	(1,036,614)	-	(561,587)
Depreciation	(78,062)	(7,758)	(2,119)	-	-	(87,939)
Amortisation	(36,404)	-	-	-	-	(36,404)
Impairment loss	(180,495)	-	-	-	-	(180,495)
Finance costs	(20,321)	-	-	-	-	(20,321)
Loss before tax						(886,746)
Income tax expense						(22,005)
Loss for the year						(908,751)
Assets						
Segment assets	1,532,300	828,724	815,776	9,084,296	(2,457,484)	9,802,505
Unallocated assets						1,107
Total assets:						9,803,612
Liabilities						
Segment liabilities	7,130,034	529,652	92,229	2,287,543	(6,681,588)	2,926,831
Unallocated liabilities						431,039
Total liabilities:						3,357,870

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

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 are located in Singapore.

Please refer to paragraph 8 for further information on segmented revenue of the Group.

18. A breakdown of sales as follows:

		The Group		Change %
		FY 2018	FY 2017	
		US\$'000	US\$'000	
First Half				
(a)	Sales reported for first half year	9,154,058	7,295,859	25.5
(b)	Operating profit/loss after tax before deducting minority interests reported for first half year	(1,160,133)	(129,232)	797.7
Second Half				
(c)	Sales reported for second half year	8,911,789	6,827,000	30.8
(d)	Operating profit/loss after tax before deducting minority interests reported for second half year	(2,730,286)	(779,519)	250.3

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

		The Group	
		FY 2018	FY 2017
		US\$'000	US\$'000
	Ordinary dividend	-	600,000 ⁽¹⁾

Note:

(1) Refers to the dividend declared in FY2016 and paid in FY2017.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Low Yik Sen	41	Sibling of Low Yik Jin (CEO and Executive Director)	Executive Chairman and Managing Director of the Group since 2017. He is responsible for overseeing the logistics arm of the Group, focusing on sourcing and procurement, freight forwarding as well as waste management services.	Not applicable
Low Yik Jin	39	Sibling of Low Yik Sen (Executive Chairman and Managing Director)	CEO and Executive Director of the Group since 2017. He is responsible for the overall day-to-day management of the Group including business strategy, online marketplace channel expansion, online sales and technology development.	Not applicable

On behalf of the Board
Y Ventures Group Ltd.

Low Yik Sen
Executive Chairman and Managing Director

Low Yik Jin
Chief Executive Officer and Executive Director

28 February 2019