



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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2020

*This announcement has been prepared by Y Ventures Group Ltd (the “**Company**”) and its contents have been reviewed by 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 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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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

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)
	1H FY2020	1H FY2019	
	US\$	US\$	%
Revenue	17,778,502	13,083,176	35.9
Cost of sales	(11,097,920)	(7,526,428)	47.5
Gross profit	6,680,582	5,556,748	20.2
Interest income	1,701	14	NM
Other income	379,313	315,294	20.3
Selling and distribution expenses	(5,251,797)	(4,000,536)	31.3
Administrative expenses	(1,444,193)	(2,324,261)	(37.9)
Finance costs	(43,686)	(82,063)	(46.8)
Profit/(loss) before tax	321,920	(534,804)	NM
Tax expense	-	-	NM
Profit/(loss) for the period	321,920	(534,804)	NM
Other comprehensive loss:			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	(22,608)	(5,385)	NM
Total comprehensive income/(loss) for the period	299,312	(540,189)	NM
Profit/(loss) attributable to:			
Equity holders of the company	330,553	(524,199)	NM
Non-controlling interests	(8,633)	(10,605)	(18.6)
	321,920	(534,804)	NM
Total comprehensive income/(loss) attributable to:			
Equity holders of the company	307,873	(529,797)	NM
Non-controlling interests	(8,561)	(10,392)	(17.6)
	299,312	(540,189)	NM

Note:

NM – Not Meaningful

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

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

	The Group		Increase / (Decrease) %
	1H FY2020	1H FY2019	
	US\$	US\$	
Amortisation of intangible assets	72,521	75,122	(3.5)
Bad trade debts written off	9,616	1,743	NM
Depreciation of property, plant and equipment and investment property	43,167	49,135	(12.1)
Depreciation of right-of-use assets ⁽¹⁾	94,122	114,822	(18.0)
Foreign exchange gain	(243,754)	(3,505)	NM
Interest expenses	40,965	66,533	(38.4)
Interest income	(1,701)	(14)	NM
Impairment loss on property, plant and equipment	-	338	NM
Interest portion on lease liabilities ⁽¹⁾	2,721	15,530	(82.5)
Reversal of write-down inventories	-	(565,109)	NM
Write-down of inventories	-	134,656	NM

Note:

- (1) With effect from the financial year beginning 1 January 2019, the Group has adopted the new SFRS(I) 16 – Leases. SFRS(I) 16 requires lessees to recognize most leases on balance sheets. The standard includes two recognition exemptions for lessees – lease of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) ("ROU" asset). Lessees will be required to separately recognize the interest expenses on the lease liability and the depreciation expense on the ROU asset.

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

	The Group		Company	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	US\$	US\$	US\$	US\$
ASSETS				
Current assets				
Inventories	15,529,838	22,007,020	-	-
Trade and other receivables	973,559	1,203,960	1,731,330	1,852,931
Cash and bank balances	2,161,303	1,208,846	339,122	60,032
	18,664,700	24,419,826	2,070,452	1,912,963
Non-current assets				
Property, plant and equipment	48,449	73,944	6,079	-
Right-of-use assets ⁽¹⁾	172,066	263,333	-	-
Intangible assets	126,090	182,346	-	-
Investment property	1,201,621	1,216,863	-	-
Investment in subsidiaries	-	-	2,344,771	2,344,771
	1,548,226	1,736,486	2,350,850	2,344,771
Total assets	20,212,926	26,156,312	4,421,302	4,257,734
LIABILITIES				
Current liabilities				
Trade and other payables	15,226,932	20,372,494	611,969	594,101
Tax payable	196,258	190,374	-	-
Borrowings	185,427	1,154,798	-	-
Lease liabilities ⁽¹⁾	95,558	210,929	-	-
Contract liabilities	-	3,321	-	-
	15,704,175	21,931,916	611,969	594,101
Non-current liabilities				
Borrowings	878,078	878,078	-	-
Lease liabilities ⁽¹⁾	93,617	108,574	-	-
Deferred tax liabilities	30,686	30,686	-	-
	1,002,381	1,017,338	-	-
Total liabilities	16,706,556	22,949,254	611,969	594,101
NET ASSETS	3,506,370	3,207,058	3,809,333	3,663,633

	The Group		Company	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	US\$	US\$	US\$	US\$
EQUITY				
Share capital	10,306,302	10,306,302	10,306,302	10,306,302
Currency translation reserve	(20,218)	2,462	-	-
Accumulated losses	(4,301,376)	(4,631,929)	(6,467,968)	(6,613,668)
Merger reserve ⁽²⁾	(2,455,477)	(2,455,477)	-	-
Fair value reserve	(29,001)	(29,001)	(29,001)	(29,001)
Equity attributable to equity holders of the Company	3,500,230	3,192,357	3,809,333	3,663,633
Non-controlling interests	6,140	14,701	-	-
Total equity	3,506,370	3,207,058	3,809,333	3,663,633

Notes:

- (1) Please see note of paragraph 1(a)(ii) of this announcement for further details.
- (2) Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control.

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.

Amount repayable in one year or less, or on demand

As at 30 Jun 2020			As at 31 Dec 2019		
Secured	Unsecured	Lease Liabilities	Secured	Unsecured	Lease Liabilities
US\$	US\$	US\$	US\$	US\$	US\$
185,427	-	95,558	1,154,798	-	210,929

Amount repayable after one year

As at 30 Jun 2020			As at 31 Dec 2019		
Secured	Unsecured	Lease Liabilities	Secured	Unsecured	Lease Liabilities
US\$	US\$	US\$	US\$	US\$	US\$
878,078	-	93,617	878,078	-	108,574

Details of any collateral

As at the balance sheet date, the total borrowings of the Group are secured by way of a first legal mortgage over the Group's freehold property at 46 East Coast Road, Eastgate Commercial Building, Unit #09-06, Singapore 428766, joint and several guarantees from certain directors of the Company and 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

	1H FY2020	1H FY2019
	US\$	US\$
Cash flows from operating activities:		
Profit/(loss) before tax	321,920	(534,804)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	43,167	49,135
Depreciation of right-of-use assets	94,122	114,822
Amortisation of intangible assets	72,521	75,122
Impairment loss on property, plant and equipment	-	338
Bad trade debts written off	9,616	1,743
Interest expense	40,965	66,533
Interest portion on lease liabilities	2,721	15,530
Unrealised exchange gain	(3,906)	(1,622)
Interest income	(1,701)	(14)
Operating cash flows before movements in working capital	579,425	(213,217)
<u>Working capital changes:</u>		
Receivables	220,785	301,510
Inventories	6,477,182	3,994,470
Payables and contract liabilities	(5,281,316)	(2,083,579)
Currency translation adjustments	(20,696)	(1,392)
Cash generated from operations	1,975,380	1,997,792
Income tax paid	5,884	-
Interest received	1,701	14
Net cash generated from operating activities	1,982,965	1,997,806
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,689)	(565)
Purchases of intangible assets	(16,344)	(34,408)
Net cash used in investing activities	(20,033)	(34,973)

	1H FY2020	1H FY2019
	US\$	US\$
Cash flows from financing activities:		
Interest paid	(40,965)	(66,533)
Interest portion on lease liabilities paid	(5,442)	(15,530)
Repayments of borrowings	(965,465)	(1,799,083)
Repayment of principal portion of lease liabilities	-	(60,735)
Net cash used in financing activities	(1,011,872)	(1,941,881)
Net increase in cash and cash equivalents	951,060	20,952
Cash and cash equivalents at beginning of financial period	1,208,846	1,132,030
Effects of exchange rates changes in cash and cash equivalents	1,397	(3,895)
Cash and cash equivalents at end of financial period	2,161,303	1,149,087

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

	1H FY2020	1H FY2019
	US\$	US\$
Cash and bank balances	2,161,303	1,522,971
Bank overdraft	-	(373,884)
	2,161,303	1,149,087

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	Fair value reserve	Equity attributable to equity holders of the company	Non-controlling interests	Total
	US\$	US\$	US\$	US\$		US\$	US\$	US\$
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 period	-	-	330,553	-	-	330,553	(8,633)	321,920
Other comprehensive loss								
Currency translation differences on consolidation	-	(22,680)	-	-	-	(22,680)	72	(22,608)
Total comprehensive income for the period	-	(22,680)	330,553	-	-	307,873	(8,561)	299,312
At 30 June 2020	10,306,302	(20,218)	(4,301,376)	(2,455,477)	(29,001)	3,500,230	6,140	3,506,370
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 period	-	-	(524,199)	-	-	(524,199)	(10,605)	(534,804)
Other comprehensive loss								
Currency translation differences on consolidation	-	(5,598)	-	-	-	(5,598)	213	(5,385)
Total comprehensive loss for the period	-	(5,598)	(524,199)	-	-	(529,797)	(10,392)	(540,189)
At 30 June 2019	8,856,288	(12,006)	(3,541,142)	(2,455,477)	(29,001)	2,818,662	(23,591)	2,795,071

STATEMENT OF CHANGES IN EQUITY

The Company	Share capital	Accumulated losses	Fair value reserve	Total
	US\$	US\$	US\$	US\$
At 1 January 2020	10,306,302	(6,613,668)	(29,001)	3,663,633
Net profit and comprehensive income for the period	-	145,700	-	145,700
At 30 June 2020	10,306,302	(6,467,968)	(29,001)	3,809,333
At 1 January 2019	8,856,288	(6,362,256)	(29,001)	2,465,031
Net loss and comprehensive loss for the period	-	(371,111)	-	(371,111)
At 30 June 2019	8,856,288	(6,733,367)	(29,001)	2,093,920

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2020	229,660,000	14,400,492
Balance as at 30 June 2020	229,660,000	14,400,492

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2020 and 30 June 2019.

The Company did not have any subsidiary holdings as at 30 June 2020 and 30 June 2019.

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 30 June 2020 was 229,660,000 ordinary shares (31 December 2019: 229,660,000 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, disposals, 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 period 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 modifications or emphasis of a matter).

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

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Update on the efforts taken to resolve each outstanding audit issue.

The financial statements for the financial year ended 31 December 2019 ("FY2019") were qualified in respect of the accuracy, existence and valuation of inventories in JustNile Pte. Ltd. ("JNPL") as at 31 December 2018 which arose from a qualification in the previous financial year as the carrying value of inventories totaling US\$168,118 as at 31 December 2018 formed part of the opening balances for the current financial year. As announced in the FY2019 financial results announcement, JNPL ceased purchase of inventories from Q2 FY2019 and sold all its inventories as at 31 December 2019.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board of Directors have confirmed all outstanding audit issues on the last audited financial statements for FY2019 have been adequately disclosed.

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 of the current financial period compared to the most recently audited financial statements for the year ended 31 December 2019.

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 has adopted all applicable new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and interpretations of SFRS(I) (“**SFRS(I) INT**”) which are effective for its financial year beginning 1 January 2020.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group.

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	
	1H FY2020	1H FY2019
Profit/(loss) attributable to equity holders of the Company (US\$)	330,553	(524,199)
Weighted average number of ordinary shares	229,660,000	205,000,000
Basic and diluted EPS (US cents) ⁽¹⁾	0.14	(0.26)

Note:

⁽¹⁾ 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 periods.

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	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
NAV attributable to equity holders of the Company (US\$)	3,500,230	3,192,357	3,809,333	3,663,633
Number of ordinary shares	229,660,000	229,660,000	229,660,000	229,660,000
NAV per ordinary share based on issued share capital (US cents)	1.52	1.39	1.66	1.60

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)

The revenue increased by 35.9% or US\$4.7 million from US\$13.1 million in 1H FY2019 to US\$17.8 million in 1H FY2020. The increase was mainly due to an increase in the sales of books on online marketplaces.

The cost of sales increased by 47.5% or US\$3.6 million from US\$7.5 million in 1H FY2019 to US\$11.1 million in 1H FY2020 mainly due to the corresponding increase in sales.

The gross profit margin for 1H FY2020 and 1H FY2019 were approximately 37.6% and 42.5% respectively. The decrease was due to price fluctuations of the books.

The other income increased by 20.3% or US\$64,019 from US\$315,294 in 1H FY2019 to US\$379,313 in 1H FY2020 mainly due to the income generated from Jobs Support Scheme granted by the Government due to the COVID-19 pandemic.

The selling and distribution expenses increased by 31.3% or US\$1.3 million from US\$4.0 million in 1H FY2019 to US\$5.3 million in 1H FY2020 mainly due to the increase in selling expenses incurred from the increase in sales of books sold through online marketplaces and higher storage costs due to the surge in end customers' book purchases.

The administrative expenses decreased by 36.9% or US\$0.9 million from US\$2.3 million in 1H FY2019 to US\$1.4 million in 1H FY2020 mainly due to professional fees incurred on the one-off independent review of US\$0.2 million incurred in 1H FY2019 and foreign exchange gain of US\$0.2 million in 1H FY2020.

The finance costs decreased by 46.8% or US\$38,377 from US\$82,063 in 1H FY2019 to US\$43,686 in 1H FY2020 mainly due to the lower utilisation of the credit facilities.

The profit before tax for 1H FY2020 was US\$0.3 million, an improvement when compared to US\$0.5 million loss before tax recorded in 1H FY2019.

REVIEW OF FINANCIAL POSITION (STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets decreased by 23.6% or US\$5.7 million from US\$24.4 million as at 31 December 2019 to US\$18.7 million as at 30 June 2020. This was mainly due to the decrease in inventories which is in line with the increase in sale of books and the decrease in trade and other receivables offset by the increase in cash and bank balances.

Non-current assets

Non-current assets decreased by 10.8% or US\$0.2 million from US\$1.7 million as at 31 December 2019 to US\$1.5 million as at 30 June 2020. This was mainly due to the depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets.

Current liabilities

The current liabilities decreased by 28.4% or US\$6.2 million from US\$21.9 million as at 31 December 2019 to US\$15.7 million as at 30 June 2020. This was mainly due to the decrease in trade and other payables and borrowings.

Non-current liabilities

Non-current liabilities decreased by 1.5% or US\$14,957 from US\$1.0 million as at 31 December 2019 to US\$1.0 million as at 30 June 2020 mainly due to the decrease in lease liabilities.

Working capital

The Group had working capital of US\$3.0 million as at 30 June 2020 as compared to US\$2.5 million as at 31 December 2019. The increase was mainly due to the decrease in trade and other payables and borrowings as well as the increase in cash and bank balances.

Shareholders' equity

The Group's shareholders' equity increased by 9.6% or US\$0.3 million from US\$3.2 million as at 31 December 2019 to US\$3.5 million as at 30 June 2020 mainly due to the profit for the period.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENTS OF CASH FLOWS)

The Group generated net cash from operating activities of US\$2.0 million in 1H FY2020, a result of operating cash flows before working capital changes of US\$0.6 million, adjusted for net working capital inflows of US\$1.4 million. The working capital inflows was largely due to cash inflow from sales of inventories of US\$6.5 million offset by payment made to payables and contract liabilities of US\$5.3 million.

Net Cash used in investing activities of US\$20,033 was mainly from purchase of intangible assets.

Net cash used in financing activities of US\$1.0 million was mainly for the repayment of borrowings.

Overall, the cash and cash equivalents of the Group increased in 1H FY2020, ending the period with cash and cash equivalents of US\$2.2 million.

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 operates in a fast growing ecommerce market and uses its core data analytics capability to drive its growth. This is illustrated by the 35.9% increase in revenue for 1H FY2020 from 1H FY2019.

Moving forward, the Group is strengthening its core data analytics capability and its applications while remaining vigilant on cost and cash management.

The Group may also seek related opportunities to grow through joint ventures, mergers and acquisitions with synergistic companies to expand its capabilities and customer and revenue base.

Barring any unforeseen circumstances, the Group is expected to continue growing its revenue for FY2020.

The independent review by Deloitte & Touche Enterprise Risk Services Pte Ltd is still on going as of the date of this announcement. The Company will provide further updates to the Shareholders of the Company when available.

COVID-19 business updates

The COVID-19 pandemic has been unprecedented and has severely impacted many businesses and operations as countries are implemented with lockdowns while global supply chains are being disrupted. Despite this, the Group has experienced an increase in e-commerce activities for 1H FY2020. The Group continues to remain vigilant to the COVID-19 threat as well as to exercise prudence in non-essential capital and operating expenditure. Notwithstanding the COVID-19 pandemic, the Group has sufficient liquidity to meet its near-term debt obligations and operational needs.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

Not applicable.

(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 that decision.

No interim dividend is declared or recommended for 1H FY2020 to conserve cash in current uncertain market conditions.

- 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 does not have a general mandate from shareholders for IPT. There were no IPT of S\$100,000 or more entered into by the Group during 1H FY2020.

14. Use of Placement Proceeds

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 and 9 October 2019 and the utilisation of proceeds as at 30 June 2020 is as follows:

Use of proceeds from share placement	Amount allocated	Amount utilised as at 30 Jun 2020	Amount unutilised as at 30 Jun 2020
	S\$	S\$	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)	976,892	976,892	-
	1,976,892	976,892	1,000,000

- 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)**

Company confirms that it has procured undertakings from all its Directors and Executive Officers in the required format.

16. Negative confirmation by Directors pursuant to Rule 705(5) of the Catalist Rule

Having considered, including but not limited to, the following:

- whether the financial statements provide a balance and fair value of any material factors that have affected the Company’s business conditions and financial position; and
- all material information has been assessed to ensure reliability of the financial statement,

on behalf of the Board, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the half-year ended 30 June 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lew Chern Yong, Eric
Executive Chairman and Director

Low Yik Jin, Alex
Chief Executive Officer and Executive Director

13 August 2020