



Y VENTURES GROUP LTD.
(Company Registration No.: 201300274R)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors (“**Board**”) of Y Ventures Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to highlight that subsequent to the release of the unaudited full-year results announcement for the financial year ended 31 December 2018 (“**FY2018**”) released on 28 February 2019 (the “**Unaudited Full-Year Results**”), there were certain material differences between the audited financial statements of the Company and the Group for the FY2018 and the Unaudited Full Year Results following the finalisation of the audit. Details and clarifications of the differences are set out as follows.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	Group		Difference US\$	Note
	Audited	Unaudited		
	FY2018	FY2018		
	US\$	US\$		
Revenue	18,065,847	18,065,847	-	
Cost of sales	(12,837,624)	(12,563,641)	(273,983)	1
Gross profit	5,228,223	5,502,206	(273,983)	
Other income	1,114,657	1,060,811	53,846	2
Selling and distribution expenses	(5,257,918)	(5,257,918)	-	
Administrative expenses	(4,988,987)	(5,104,228)	115,241	3
Finance costs	(76,436)	(76,436)	-	
Loss before tax	(3,980,461)	(3,875,565)	(104,896)	NA
Tax expense	(14,854)	(14,854)	-	
Loss for the year	(3,995,315)	(3,890,419)	(104,896)	NA

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (cont'd)**

	Group		Difference US\$	Note
	Audited	Unaudited		
	FY2018	FY2018		
	US\$	US\$		
Other comprehensive loss for the year, net of tax				
<i>Item that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation	(507)	(139)	(368)	NM
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Fair value loss on financial assets at fair value through other comprehensive income	(29,001)	-	(29,001)	3(iv)
Total comprehensive loss for the year	(4,024,823)	(3,890,558)	(134,265)	NA
Loss attributable to:				
Equity holders of the company	(3,707,891)	(3,602,994)	(104,897)	NA
Non-controlling interests	(287,424)	(287,425)	1	NM
	(3,995,315)	(3,890,419)	(104,896)	NA
Total comprehensive loss attributable to:				
Equity holders of the company	(3,737,498)	(3,603,232)	(134,266)	NA
Non-controlling interests	(287,325)	(287,326)	1	NM
	(4,024,823)	(3,890,558)	(134,265)	NA

STATEMENTS OF FINANCIAL POSITION

	Group		Difference US\$	Note
	Audited	Unaudited		
	31 Dec 18	31 Dec 18		
	US\$	US\$		
ASSETS				
Current assets				
Inventories	9,312,820	9,587,171	(274,351)	1
Trade and other receivables	1,197,785	1,084,691	113,094	4
Cash and bank balances	1,132,030	1,132,030	-	
	11,642,635	11,803,892	(161,257)	NA
Non-current assets				
Property, plant and equipment	1,387,756	1,333,910	53,846	2
Intangible assets	278,165	305,019	(26,854)	3(i)
	1,665,921	1,638,929	26,992	NA
Total assets	13,308,556	13,442,821	(134,265)	NA

STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Difference US\$	Note
	Audited	Unaudited		
	31 Dec 18	31 Dec 18		
	US\$	US\$		
LIABILITIES				
Current liabilities				
Trade and other payables	6,877,713	6,888,981	(11,268)	5
Contract liabilities	11,268	-	11,268	5
Tax payable	190,374	190,374	-	
Borrowings	1,947,367	1,947,367	-	
	9,026,722	9,026,722	-	
Non-current liabilities				
Borrowings	915,888	915,888	-	
Deferred tax liabilities	30,686	30,686	-	
	946,574	946,574	-	
Total liabilities	9,973,296	9,973,296	-	
NET ASSETS	3,335,260	3,469,525	(134,265)	NA
EQUITY				
Share capital	8,856,288	8,856,288	-	
Currency translation reserve	(6,408)	(6,040)	(368)	NM
Merger reserve	(2,455,477)	(2,455,477)	-	
Fair value reserve	(29,001)	-	(29,001)	3(iv)
Accumulated losses	(3,016,943)	(2,912,046)	(104,897)	NA
Equity attributable to equity holders of the Company	3,348,459	3,482,725	(134,266)	NA
Non-controlling interests	(13,199)	(13,200)	1	NM
Total equity	3,335,260	3,469,525	(134,265)	NA

	Company		Difference US\$	Note
	Audited	Unaudited		
	31 Dec 18	31 Dec 18		
	US\$	US\$		
ASSETS				
Current assets				
Trade and other receivables	197,478	4,527,792	(4,330,314)	6
Cash and bank balances	52,033	52,033	-	
	249,511	4,579,825	(4,330,314)	NA
Non-current assets				
Investment in subsidiaries	2,344,808	2,344,808	-	
	2,344,808	2,344,808	-	
Total assets	2,594,319	6,924,633	(4,330,314)	NA

STATEMENTS OF FINANCIAL POSITION (cont'd)

	Company		Difference US\$	Note
	Audited	Unaudited		
	31 Dec 18	31 Dec 18		
	US\$	US\$		
LIABILITIES				
Current liabilities				
Trade and other payables	129,288	129,288	-	
	129,288	129,288	-	
Total liabilities	129,288	129,288	-	
NET (LIABILITIES)/ASSETS	2,465,031	6,795,345	(4,330,314)	NA
EQUITY				
Share capital	8,856,288	8,856,288	-	
Fair value reserve	(29,001)	-	(29,001)	3(iv)
Accumulated losses	(6,362,256)	(2,060,943)	(4,301,313)	NA
Total equity	2,465,031	6,795,345	(4,330,314)	NA

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group		Difference US\$	Note
	Audited	Unaudited		
	31 Dec 18	31 Dec 18		
	US\$	US\$		
Cash flows from operating activities:				
Loss before tax	(3,980,461)	(3,875,565)	(104,896)	NA
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	112,458	112,458	-	
Reversal of impairment loss of property, plant and equipment	(53,846)	-	(53,846)	2
Amortisation of intangible assets	122,329	122,329	-	
Property, plant and equipment written off	6,581	6,581	-	
Impairment loss on investment in financial assets at fair value through other comprehensive income	-	29,001	(29,001)	3(iv)
Gain on disposal of a subsidiary	(852,289)	(852,289)	-	
Impairment loss on trade receivables	179,270	-	179,270	7
Impairment loss on advance to supplier refundable in cash	269,666	-	269,666	7
Impairment loss on intangible assets	26,854	-	26,854	7
Write-down of inventories	531,364	-	531,364	7
Bad debts written off	105,452	105,452	-	
Interest income	(477)	(477)	-	
Interest expense	76,436	76,436	-	
Unrealised exchange (loss)/gain	(10,793)	(10,793)	-	
Operating cash flows before movements in working capital	(3,467,456)	(4,286,867)	819,411	NA
<u>Working capital changes:</u>				
Inventories	(3,783,934)	(3,526,921)	(257,013)	7
Receivables	(551,208)	10,822	(562,030)	7
Payables	5,610,040	5,610,040	-	
Currency translation adjustments	2,293	2,661	(368)	NM
Cash used in operations	(2,190,265)	(2,190,265)		
Income tax paid	(224,833)	(224,833)	-	
Interest received	477	477	-	
Net cash used in operating activities	(2,414,621)	(2,414,621)	-	

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

	Group		Difference US\$	Note
	Audited	Unaudited		
	31 Dec 18	31 Dec 18		
	US\$	US\$		
Cash flows from investing activities:				
Purchases of property, plant and equipment	(111,705)	(111,705)	-	
Purchases of intangible assets	(214,290)	(214,290)	-	
Net cash inflow on disposal of a subsidiary	287,830	287,830	-	
Purchases of investment in financial assets	(29,001)	(29,001)	-	
Net cash used in investing activities	(67,166)	(67,166)	-	
Cash flows from financing activities:				
Repayments of borrowings	(153,827)	(153,827)	-	
Proceeds from issuance of shares, net	914,341	914,341	-	
Proceeds from borrowings	1,396,911	1,396,911	-	
Interest paid	(76,436)	(76,436)	-	
Net cash from financing activities	2,080,989	2,080,989		
Net decrease in cash and cash equivalents	(400,798)	(400,798)	-	
Cash and cash equivalents at beginning of the financial year	882,608	882,608	-	
Effects of exchange rate changes on cash and cash equivalents	(1,308)	(1,308)	-	
Cash and cash equivalents at end of the financial year	480,502	480,502	-	

NA – not applicable

NM – not material

Notes:

- 1) The increase in cost of sales is due to the increase in the impairment of inventories arising from a further review of the realisable values of these inventories.
- 2) The increase in other income is due to a reversal of an impairment loss of the Group's property arising from a further review of the property's carrying value.
- 3) The variance in the administrative expenses is due to the following:

Impairment made on intangible assets due to further assessment of carrying value	US\$26,854
Reversal of impairment loss on trade receivables due to further assessment	US\$88,107
Reversal of impairment loss on advance to supplier due to further assessment	US\$24,987
Reclassification of fair value loss on financial assets at fair value through other comprehensive income from administrative expenses to other comprehensive loss for the year, net of tax	US\$29,001
Total	US\$115,241

- 4) The increase in the Group's trade and other receivables is due to the consequential combined effect of the reversals of impairment loss on trade receivables and advance to supplier as set out in Note 3.
- 5) The variances are due to reclassification for presentation purposes.
- 6) The decrease in the Company's trade and other receivables is due to the increase in the impairment of receivables from the subsidiaries arising as a result of further assessment on the recoverability of the receivables owing from the subsidiaries to the Company.
- 7) The variances are due to the combined effects of representation of non-cash items for the presentation of the consolidated statements of cash flows and additional adjustments as highlighted above in Note 1, 2 and 3.

By Order of the Board

Lew Chern Yong
Executive Chairman and Director
15 April 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, 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 assume 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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