



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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (“3Q 2022” & “9M 2022”)

*Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.*

*This announcement has been prepared by Y Ventures Group Ltd (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**”).*

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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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 30 SEPTEMBER 2022

		The Group		
	Note	3Q 2022 US\$	3Q 2021 US\$	Change %
Revenue	4	6,173,095	8,381,333	(26.3)
Cost of sales		(3,764,644)	(5,160,629)	(27.1)
Gross profit		<u>2,408,451</u>	<u>3,220,704</u>	(25.2)
Other income		70,460	61,215	15.1
Selling and distribution expenses		(1,990,422)	(2,706,046)	(26.4)
Administrative expenses		(919,094)	(713,376)	28.8
Results from operating activities		<u>(430,605)</u>	<u>(137,503)</u>	NM
Finance income		114	8	NM
Finance costs		(32,447)	(8,325)	NM
Net finance costs		<u>(32,333)</u>	<u>(8,317)</u>	NM
Loss before tax	6	(462,938)	(145,820)	NM
Tax credit	7	-	45,944	NM
Loss for the period		<u>(462,938)</u>	<u>(99,876)</u>	NM
Other comprehensive loss:				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(16,979)	(20,444)	(16.9)
Total comprehensive loss for the period		<u>(479,917)</u>	<u>(120,320)</u>	NM
Loss attributable to:				
Equity holders of the Company		(462,151)	(67,678)	NM
Non-controlling interests		(787)	(32,198)	(97.6)
		<u>(462,938)</u>	<u>(99,876)</u>	NM
Total comprehensive loss attributable to:				
Equity holders of the Company		(479,474)	(78,040)	NM
Non-controlling interests		(443)	(42,280)	(99.0)
		<u>(479,917)</u>	<u>(120,320)</u>	NM
Loss per ordinary share ("LPS")				
- Basic and diluted (US Cents) ⁽¹⁾		<u>(0.19)</u>	<u>(0.03)</u>	NM

Note: (1) The calculation of LPS was based on weight average number of shares 246,854,000 (3Q 2021: 240,887,139) in issue during the period.

NM – Not Meaningful

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)**

		The Group		
	Note	9M 2022 US\$	9M 2021 US\$	Change %
Revenue	4	18,617,436	24,741,857	(24.8)
Cost of sales		(11,751,774)	(14,976,009)	(21.5)
Gross profit		<u>6,865,662</u>	<u>9,765,848</u>	(29.7)
Other income		139,753	282,267	(50.5)
Selling and distribution expenses		(5,976,700)	(8,039,167)	(25.7)
Administrative expenses		(2,782,416)	(2,877,193)	(3.3)
Results from operating activities		<u>(1,753,701)</u>	<u>(868,245)</u>	NM
Finance income		154	32	NM
Finance costs		(88,210)	(27,041)	NM
Net finance costs		<u>(88,056)</u>	<u>(27,009)</u>	NM
Loss before tax	6	(1,841,757)	(895,254)	NM
Tax (expense)/credit	7	(12)	6,498	NM
Loss for the period		<u>(1,841,769)</u>	<u>(888,756)</u>	NM
Other comprehensive loss:				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(34,809)	(21,478)	62.1
Total comprehensive loss for the period		<u>(1,876,578)</u>	<u>(910,234)</u>	NM
Loss attributable to:				
Equity holders of the Company		(1,708,657)	(938,214)	82.1
Non-controlling interests		(133,112)	49,458	NM
		<u>(1,841,769)</u>	<u>(888,756)</u>	NM
Total comprehensive loss attributable to:				
Equity holders of the Company		(1,743,977)	(950,153)	83.5
Non-controlling interests		(132,601)	39,919	NM
		<u>(1,876,578)</u>	<u>(910,234)</u>	NM
Loss per ordinary share				
- Basic and diluted (US Cents) ⁽¹⁾		<u>(0.69)</u>	<u>(0.39)</u>	76.9

Note: (1) The calculation of LPS was based on weight average number of shares 246,854,000 (9M 2021: 240,887,139) in issue during the period.

NM – Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		The Group		The Company	
		30 Sep 22	31 Dec 21	30 Sep 22	31 Dec 21
ASSETS	Note	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Current assets					
Inventories	9	7,950,472	9,471,791	-	-
Trade and other receivables		473,776	1,177,009	1,138,706	767,886
Cash and bank balances		2,132,077	1,537,758	338,074	786,980
		10,556,325	12,186,558	1,476,780	1,554,866
Non-current asset classified as held for sale	12	1,268,451	-	-	-
		11,824,776	12,186,558	1,476,780	1,554,866
Non-current assets					
Property, plant and equipment	11	16,768	27,507	1,816	985
Right-of-use assets		147,492	185,469	-	-
Investment property	12	-	1,286,212	-	-
Intangible assets	10	7,370	169,300	7,370	12,296
Investment in subsidiaries		-	-	2,343,311	2,528,009
		171,630	1,668,488	2,352,497	2,541,290
Total assets		11,996,406	13,855,046	3,829,277	4,096,156
LIABILITIES					
Current liabilities					
Trade and other payables		8,769,619	9,206,065	611,653	596,761
Tax payable		191,601	193,035	-	-
Borrowings	13	608,923	140,347	-	-
Contract liabilities		17,431	18,505	-	-
		9,587,574	9,557,952	611,653	596,761
Liabilities directly associated with non-current asset classified as held for sale	13	818,084	-	-	-
		10,405,658	9,557,952	611,653	596,761
Non-current liabilities					
Borrowings	13	57,918	887,686	-	-
Deferred tax liabilities		30,686	30,686	-	-
		88,604	918,372	-	-
Total liabilities		10,494,262	10,476,324	611,653	596,761
NET ASSETS		1,502,144	3,378,722	3,217,624	3,499,395
EQUITY					
Share capital	14	11,204,164	11,204,164	11,204,164	11,204,164
Currency translation reserve		(32,853)	2,467	-	-
Accumulated losses		(7,196,221)	(5,487,564)	(7,986,540)	(7,704,769)
Merger reserve	15	(2,455,477)	(2,455,477)	-	-
Equity attributable to equity holders of the Company		1,519,613	3,263,590	3,217,624	3,499,395
Non-controlling interests		(17,469)	115,132	-	-
Total equity		1,502,144	3,378,722	3,217,624	3,499,395

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
PERIOD ENDED 30 SEPTEMBER 2022

	Note	9M 2022 US\$	9M 2021 US\$
Cash flow from operating activities:			
Loss before tax		(1,841,757)	(895,254)
<u>Adjustments for:</u>			
Amortisation of intangible assets		4,926	4,926
Depreciation of non-current asset classified as held for sale/ investment property		17,761	20,665
Depreciation of property, plant and equipment		21,663	22,202
Depreciation of right-of-use assets		103,936	128,959
Interest expenses		82,180	24,107
Interest income		(154)	(32)
Interest portion of lease liabilities		6,030	2,934
Impairment loss on goodwill		157,004	-
Unrealised exchange gain		(1,623)	(3,672)
Issue of shares under PSP Awards	14	-	270,111
Write-down of inventories		-	47,244
Operating cash flows before movements in working capital		(1,450,034)	(377,810)
<u>Working capital changes:</u>			
Inventories		1,521,319	11,542,220
Receivables		703,233	(130,232)
Payables and contract liabilities		(437,520)	(10,241,971)
Currency translation adjustments		(5,957)	(30,724)
Cash flows generated from operations		331,041	761,483
Income tax paid		(1,446)	(71,321)
Interest received		154	32
Net cash generated from operating activities		329,749	690,194
Cash flow from investing activities:			
Net cash inflow from acquisition of subsidiary		-	5,691
Purchase of property, plant and equipment		(11,731)	(11,711)
Net cash used in investing activities		(11,731)	(6,020)
Cash flow from financing activities:			
Drawdown of borrowings		1,000,000	-
Repayment of borrowings		(508,237)	(25,943)
Repayment of lease liabilities		(101,837)	(133,796)
Interest paid on lease liabilities		(6,030)	(2,934)
Interest paid		(82,180)	(24,107)
Net cash generated from / (used in) financing activities		301,716	(186,780)
Net increase in cash and cash equivalents		619,734	497,394
Cash and cash equivalents at beginning of financial period		1,537,758	1,328,902
Effects of exchange rates changes in cash and cash equivalents		(25,415)	10,630
Cash and cash equivalents at end of financial period		2,132,077	1,836,926

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2022

The Group	Note	Share capital	Currency translation reserve	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 2022		11,204,164	2,467	(5,487,564)	(2,455,477)	3,263,590	115,132	3,378,722
Loss for the period		-	-	(1,708,657)	-	(1,708,657)	(133,112)	(1,841,769)
Other comprehensive loss								
Currency translation differences arising from consolidation		-	(35,320)	-	-	(35,320)	511	(34,809)
Total comprehensive loss for the period		-	(35,320)	(1,708,657)	-	(1,743,977)	(132,601)	(1,876,578)
At 30 September 2022		11,204,164	(32,853)	(7,196,221)	(2,455,477)	1,519,613	(17,469)	1,502,144
At 1 January 2021		10,934,053	10,677	(3,921,641)	(2,455,477)	4,567,612	35,489	4,603,101
Loss for the period		-	-	(938,214)	-	(938,214)	49,458	(888,756)
Other comprehensive loss								
Currency translation differences arising from consolidation		-	(11,939)	-	-	(11,939)	(9,539)	(21,478)
Total comprehensive loss for the period		-	(11,939)	(938,214)	-	(950,153)	39,919	(910,234)
Issuance of ordinary shares	14	270,111	-	-	-	270,111	-	270,111
Acquisition of subsidiary		-	-	-	-	-	83,082	83,082
At 30 September 2021		11,204,164	(1,262)	(4,859,855)	(2,455,477)	3,887,570	158,490	4,046,060

**D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2022**

The Company	Note	Share capital	Accumulated losses	Total
		US\$	US\$	US\$
At 1 January 2022		11,204,164	(7,704,769)	3,499,395
Net loss and comprehensive loss for the period		-	(281,771)	(281,771)
At 30 September 2022		11,204,164	(7,986,540)	3,217,624
At 1 January 2021		10,934,053	(6,757,437)	4,176,616
Net loss and comprehensive loss for the period		-	(648,360)	(648,360)
Issuance of ordinary shares	14	270,111	-	270,111
At 30 September 2021		11,204,164	(7,405,797)	3,798,367

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

Y Ventures Group Limited (the “Company”) (Co. Reg. No. 201300274R) was incorporated domiciled in Singapore and listed on the Catalist Board of Singapore Exchange Securities Trading Limited.

The registered office of the Company is at 60 Paya Lebar Road, #04-54 Paya Lebar Square, Singapore 409051.

These condensed interim financial statements as at and for the third quarter and nine months period ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- a) E-commerce retail and distribution
- b) Logistics and freight forwarding services
- c) Waste management services

2 Basis of preparation

The condensed interim financial statements for the third quarter and nine months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I) except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar which is the Company’s functional currency.

2.1 New and revised standards adopted by the Group

On 1 January 2022, the Group has adopted the new and revised SFRS(I) and SFRS(I) Interpretation (“SFRS(I) INT”) that are relevant to its operations and effective for the current financial period. Changes to the Group’s accounting policies have been made as required, in accordance with the transactional provisions in the respective SFRS(I) and SFRS(I) INT.

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

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are include in the following notes:

- Note 9 – Write down of inventories
- Note 10 – impairment test of goodwill

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group's reportable segments are described below:

- E-commerce retail and distribution

To market and distribute a range of merchandises, mainly books and journals, under third party brands through online market places under a distribution model.

Website: <https://yventures.com.sg>

- Logistics and freight forwarding services

To provide logistics to third party customers.

Website: <https://skaplogistics.com>

- Waste management services

To provide waste management services in Singapore known as "Junk To Clear".

Website: www.junktoclear.com.sg

The operating segments are reported in a manner consistent with interim reporting provided to Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**4 Segment and revenue information (Cont'd)****Revenue**

	The Group			
	3Q 2022	3Q 2021	9M 2022	9M 2021
	US\$	US\$	US\$	US\$
E-commerce retail and distribution (Sales of goods)	6,017,789	8,205,912	18,105,386	24,201,926
E-commerce retail and distribution (Training services)	-	-	-	18,902
Logistics and freight forwarding services	1,834	-	5,405	3,366
Waste management services	153,472	175,421	506,645	517,663
	<u>6,173,095</u>	<u>8,381,333</u>	<u>18,617,436</u>	<u>24,741,857</u>

Timing of revenue recognition

At a point in time	6,173,095	8,381,333	18,617,436	24,722,955
Over time	-	-	-	18,902
	<u>6,173,095</u>	<u>8,381,333</u>	<u>18,617,436</u>	<u>24,741,857</u>

Geographical information

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, intangible assets and investment property are located in Singapore.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

The Group	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Revenue												
External customers	6,017,789	8,205,912	1,834	-	153,472	175,421	-	-	-	-	6,173,095	8,381,333
Intersegment sales	-	-	24,777	6,683	229	-	-	-	(25,006)	(6,683)	-	-
Total revenue	6,017,789	8,205,912	26,611	6,683	153,701	175,421	-	-	(25,006)	(6,683)	6,173,095	8,381,333
Segment profit/(loss)	(322,204)	414,312	9,546	2,855	(10,798)	9,695	(66,241)	133,552	-	(638,672)	(389,697)	(78,258)
Depreciation	(23,266)	(38,879)	(13,738)	(14,498)	(1,963)	(3,839)	(299)	(386)	-	-	(39,266)	(57,602)
Amortisation	(1,642)	(1,643)	-	-	-	-	-	-	-	-	(1,642)	(1,643)
Interest Income	114	8	-	-	-	-	-	-	-	-	114	8
Impairment losses/write-off	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	(32,447)	(8,325)	-	-	-	-	-	-	-	-	(32,447)	(8,325)
Loss before tax											(462,938)	(145,820)
Income tax credit											-	45,944
Loss after tax											(462,938)	(99,876)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

The Group	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Revenue												
External customers	18,105,386	24,220,828	5,405	3,366	506,645	517,663	-	-	-	-	18,617,436	24,741,857
Intersegment sales	-	-	102,907	17,337	580	-	-	-	(103,487)	(17,337)	-	-
Total revenue	18,105,386	24,220,828	108,312	20,703	507,225	517,663	-	-	(103,487)	(17,337)	18,617,436	24,741,857
Segment profit/ (loss)	(1,365,291)	102,678	20,302	(20,045)	(7,499)	(80,158)	(95,923)	(646,724)	-	-	(1,448,411)	(644,249)
Depreciation	(89,068)	(114,777)	(42,981)	(42,997)	(10,161)	(12,416)	(1,150)	(1,636)	-	-	(143,360)	(171,826)
Amortisation	(4,926)	(4,926)	-	-	-	-	-	-	-	-	(4,926)	(4,926)
Interest Income	154	32	-	-	-	-	-	-	-	-	154	32
Impairment losses/write-off	(157,004)	(47,244)	-	-	-	-	-	-	-	-	(157,004)	(47,244)
Finance costs	(88,210)	(27,041)	-	-	-	-	-	-	-	-	(88,210)	(27,041)
Loss before tax											(1,841,757)	(895,254)
Income tax (expense) / credit											(12)	6,498
Loss after tax											(1,841,769)	(888,756)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

The Group	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Assets												
Segment assets	11,078,020	12,989,015	247,311	320,581	91,523	103,282	579,552	1,180,883	-	-	11,996,406	14,593,761
Unallocated assets											-	-
Total assets											<u>11,996,406</u>	<u>14,593,761</u>
Liabilities												
Segment liabilities	9,712,049	9,825,673	21,652	74,608	59,812	39,037	478,462	368,314	-	-	10,271,975	10,307,632
Unallocated liabilities											222,287	240,069
Total liabilities											<u>10,494,262</u>	<u>10,547,701</u>
 Additions to non-current assets	 76,578	 11,711	 -	 -	 1,761	 -	 1,981	 -	 -	 -	 <u>80,320</u>	 <u>11,711</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5 Financial instruments

Financial instruments at their carrying amounts at reporting date are as follows:

	The Group		The Company	
	30 Sep 22	31 Dec 21	30 Sep 22	31 Dec 21
<i>Financial assets at amortised costs</i>				
Trade and other receivables	258,932	851,228	1,116,218	737,752
Cash and bank balances	2,132,077	1,537,758	338,074	786,980
	<u>2,391,009</u>	<u>2,388,986</u>	<u>1,454,292</u>	<u>1,524,732</u>
<i>Financial liabilities at amortised costs</i>				
Trade and other payables	8,665,265	9,086,892	548,660	504,291
Borrowings	1,484,925	1,028,033	-	-
	<u>10,150,190</u>	<u>10,114,925</u>	<u>548,660</u>	<u>504,291</u>

6 Loss before tax

6.1 Significant items

	The Group			
	3Q 2022	3Q 2021	9M 2022	9M 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Amortisation of intangible assets	1,642	1,643	4,926	4,926
Depreciation of non-current asset classified as held for sale/investment property	2,537	6,888	17,761	20,665
Depreciation of property, plant and equipment	4,620	7,899	21,663	22,202
Depreciation of right-of-use assets	32,109	42,815	103,936	128,959
Foreign exchange (gain)/loss, net	2,738	(115,317)	(68,955)	171,868
Issue of shares under PSP Awards	-	-	-	270,111
Interest expenses	31,103	7,631	82,180	24,107
Interest income	(114)	(8)	(154)	(32)
Interest portion on lease liabilities	1,344	694	6,030	2,934
Impairment loss on goodwill	157,004	-	157,004	-
Write-down of inventories	-	-	-	47,244

6.2 Related parties transactions

In addition to information disclosed elsewhere in the condensed interim financial statements, the following transactions took place between the Group with related parties, who are not members of the Group during the period on terms agreed by the parties concerned:

	3Q 2022	3Q 2021	9M 2022	9M 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
With related party				
Training services	-	-	-	18,902

A related party refers to a company in which is controlled by key management personnel of the Company.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**7 Tax (credit) / expense**

The Group calculate the period income tax (credit) / expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit) / expense in the condensed interim consolidated profit or loss are:

	The Group			
	3Q 2022	3Q 2021	9M 2022	9M 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Current income tax (credit) / expense	-	(45,944)	12	(6,498)

8 Net assets value

	The Group		The Company	
	<u>30 Sep 22</u>	<u>31 Dec 21</u>	<u>30 Sep 22</u>	<u>31 Dec 21</u>
Net asset value per ordinary share based on issued share capital (US cents) ⁽¹⁾	0.62	1.32	1.30	1.42

Note: ⁽¹⁾ The calculation of net asset value per ordinary shares was based on 246,854,000 shares as of 30 September 2022 and 31 December 2021.

9 Inventories

	The Group	
	30 Sep 22	31 Dec 21
	<u>US\$</u>	<u>US\$</u>
Finished goods	7,950,472	9,471,791

Inventories recognised as an expense in cost of sales for the financial period ended 30 September 2022 amounted to US\$11,158,529 (31 December 2021 : US\$18,477,632).

The Group's inventories consist of books which are carried at the lower of cost and net realisable value. Inventories are written down below cost to net realisable value if they are slow-moving or if their selling prices have declined. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Management identifies slow-moving inventories on a title-by-title basis by considering sales volume during the year, projected demand and publisher of the book title. Management estimates the net realisable value for inventories by taking into consideration recent sale price, average selling price for the year, publisher of the book title and current market conditions. Write-down of inventories to their net realisable values charged to the Group's profit or loss for the current financial period is Nil (31 December 2021: US\$47,244).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10 Intangible assets

	Goodwill	The Group Computer software development costs	Total	The Company Computer software development costs
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
At 31 December 2021				
Acquisition of subsidiary/Cost	157,004	53,623	210,627	19,702
Accumulated amortisation and impairment loss	-	(41,327)	(41,327)	(7,406)
Net carrying amount at 31 December 2021	157,004	12,296	169,300	12,296
9 months ended 30 September 2022				
Opening net carrying amount	157,004	12,296	169,300	12,296
Amortisation charge	-	(4,926)	(4,926)	(4,926)
Impairment charge	(157,004)	-	(157,004)	-
Net carrying amount at 30 September 2022	-	7,370	7,370	7,370

Impairment testing of goodwill

Goodwill acquired through business combination has been allocated to a cash-generating unit ("CGU") – Toyrrential Pte. Ltd. for impairment testing.

Following the losses incurred by the CGU for the nine months ended 30 September 2022 and having considered the business update together with the revision in the management's revenue forecasts as well as taking into account the cash burn rate, management has recalculated the recoverable amount of the CGU as at 30 September 2022.

As the carrying amount of the CGU was determined to be higher than its recoverable amount, an impairment loss of US\$157,004 was recognised in 2Q and 1H 2022.

Key assumption used in value-in-use calculation

The recoverable amount of the CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rate, revenue growth rates and gross margins during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The revenue growth rates and gross margins are estimated based on past performance and expected trends and developments in the market including consideration of the current business condition.

The Group's value-in-use calculation was computed based on the cash flow forecasts derived from the most recent financial budgets approved by management covering a three-year period (31 December 2021: five-year period). The revised 2022 to 2024 compound annual growth rate for revenue is 16.3% (31 December 2021: from 2022 to 2026 is 28.5%). Gross profit margins remain to be estimated at 60% (31 December 2021: 60%). The pre-tax rate used to discount the forecast cash flows is 15% (31 December 2021: 15%).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**11 Property, plant and equipment**

During the nine months ended 30 September 2022, the Group purchased assets amounting to US\$11,731 (31 December 2021: US\$25,044) with no disposal of assets (31 December 2021: Nil).

12 Investment property

	The Group	
	30 Sep 22	31 Dec 21
	<u>US\$</u>	<u>US\$</u>
Cost		
At 1 January	1,620,971	1,620,971
Reclassified of non-current asset classified as held for sale	(1,620,971)	-
At 30 September / 31 December	-	1,620,971
Accumulated depreciation and impairment loss		
At 1 January	(334,759)	(433,854)
Depreciation charge	(17,761)	(27,554)
Reversal of impairment	-	126,649
Reclassified of non-current asset classified as held for sale	352,520	-
At 30 September / 31 December	-	(334,759)
Carrying amount at 30 September / 31 December	-	1,286,212

As announced on 29 August, 12 September and 13 October 2022, the resolution as set out in the notice of Extraordinary General Meeting ("EGM") dated 26 September 2022, was duly passed by the members of the Company at the EGM, on 13 October 2022, by way of poll to approve the proposed disposal of the property located at 46 East Coast Road #09-06 Eastgate, Singapore 428766; as such it is reclassified of non-current asset classified as held for sale.

13 Borrowings

	The Group	
	30 Sep 22	31 Dec 21
	<u>US\$</u>	<u>US\$</u>
Amount repayable in one year, or on demand		
Commercial property loan	-	27,146
Secured loan	513,669	-
Lease liabilities	95,254	113,201
	608,923	140,347
Amount repayable after one year		
Commercial property loan	-	811,743
Lease liabilities	57,918	75,943
	57,918	887,686
Liabilities directly associated with non-current asset classified as held for sale		
Commercial property loan	818,084	1,028,033
Total borrowings	1,484,925	1,028,033

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

13 Borrowings (Cont'd)

Commercial property loan is secured by the following:

- (i) A first legal mortgage over the Group's freehold property (Note 12); and
- (ii) Corporate guarantee for S\$2.60 million (31 December 2021: S\$2.60 million) executed by the Company.

Secured loan is secured by inventories of a subsidiary with carrying value of US\$7.95 million (31 December 2021: Nil).

14 Share Capital

	30 Sep 22		31 Dec 21	
	No. of shares		No. of shares	
	<u>'000</u>	<u>US\$</u>	<u>'000</u>	<u>US\$</u>
As at 1 January	246,854	11,204,164	241,660	10,934,053
Issue of new shares	-	-	5,194	270,111
Balance as at 30 September / 31 December	246,854	11,204,164	246,854	11,204,164

On 5 May 2021, the Company issued 5,194,000 ordinary shares of S\$0.07 (equivalent to US\$0.0520) per share to selected employees of the Company under the Y Ventures Performance Share Plan (the "Awards").

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022 and 31 December 2021.

15 Merger reserve

Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control.

16 Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES

1 Review

The condensed interim statements of financial position of Y Ventures Group Ltd and its subsidiaries as at 30 September 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the second quarter and six months period then ended and certain explanatory notes have not been audited nor reviewed.

(A) 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; and**
- (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

2 Review of the Performance of the Group

REVIEW OF FINANCIAL PERFORMANCE (CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME)

3Q 2022

Revenue

The revenue reduced by 26.3% or US\$2.21 million from US\$8.38 million in 3Q 2021 to US\$6.17 million in 3Q 2022. The decrease was mainly due to the COVID-19 pandemic affected delays in logistics and shipments arising from the on-going shipping backlogs since last year which has affected the timely delivery of our inventory and fulfilment of our customers' demand and orders.

Cost of sales

The cost of sales decreased by 27.1% or US\$1.40 million from US\$5.16 million in 3Q 2021 to US\$3.76 million in 3Q 2022 mainly due to the corresponding reduction in sales.

Gross profit and gross profit margin

The Group's gross profit decreased by 25.2% or US\$0.81 million, from US\$3.22 million in 3Q 2021 to US\$2.41 million in 3Q 2022. The Gross profit margin improved from 38.4% in 3Q 2021 to 39.0% in 3Q 2022. This was mainly due to better margins on books sold.

Other Income

The other income increased by 15.1% or US\$9,245 from US\$61,215 in 3Q 2021 to US\$70,460 in 3Q 2022 where the Company received government grants for adopting new technology solution to improve productivity and enhance business processes.

Selling and distribution expenses

The selling and distribution expenses decreased by 26.4% or US\$0.72 million from US\$2.71 million in 3Q 2021 to US\$1.99 million in 3Q 2022 mainly due to the corresponding reduction in sales.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME) (CONT'D)

Finance costs

The finance costs increased by US\$24,122 from US\$8,325 in 3Q 2021 to US\$32,447 in 3Q 2022 due to the increase in interest rates and higher utilisation of credit facilities.

Administrative expenses

The administrative expenses increased by 28.8% or US\$0.21 million from US\$0.71 million in 3Q 2021 to US\$0.92 million in 3Q 2022 mainly due to the compensation paid to the ex-employees in relation to notice in-lieu, ex-gratia payment and leave encashment.

Loss for the period

The loss before tax was US\$0.46 million in 3Q 2022 as compared to 3Q 2021 of US\$0.15 million in 3Q 2021 was mainly due a decrease in gross profit of US\$0.81 million and an increase administrative expenses of US\$0.21 million that offset with the decrease in selling and distribution expenses of US\$0.72 million.

9M 2022

Revenue

The revenue reduced by 24.8% or US\$6.12 million from US\$24.74 million in 9M 2021 to US\$18.62 million in 9M 2022. The decrease was mainly due to the COVID-19 pandemic affected delays in logistics and shipments arising from the on-going shipping backlogs since last year which has affected the timely delivery of our inventory and fulfilment of our customers' demand and orders.

Cost of sales

The cost of sales decreased by 21.5% or US\$3.23 million from US\$14.98 million in 9M 2021 to US\$11.75 million in 9M 2022 mainly due to the corresponding reduction in sales. The cost of sales had also been affected by the increase in logistics cost arising from the mismatch in demand and supply of shipping capacity.

Gross profit and gross profit margin

The Group's gross profit decreased by 29.7% or US\$2.90 million, from US\$9.77 million in 9M 2021 to US\$6.87 million in 9M 2022. The Gross profit margin declined from 39.5% in 9M 2021 to 36.9% in 9M 2022. The cost of sales had also been affected by the increase in logistics cost arising from the mismatch in demand and supply of shipping capacity which has led to the decrease in gross profit to US\$2.53 million in 1Q 2022 and gross profit margin to 34.6% in 1Q 2022.

Other Income

The other income decreased by 50.5% or US\$0.14 million from US\$0.28 million in 9M 2021 to US\$0.14 million in 9M 2022 where the Company received lower government subsidies for wage credit and job support schemes in respect of COVID-19 pandemic.

Selling and distribution expenses

The selling and distribution expenses decreased by 25.7% or US\$2.06 million from US\$8.04 million in 9M 2021 to US\$5.98 million in 9M 2022 mainly due to the corresponding reduction in sales.

Finance costs

The finance costs increased by US\$61,169 from US\$27,041 in 9M 2021 to US\$88,210 in 9M 2022 due to the increase in interest rates and higher utilisation of credit facilities.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME) (CONT'D)

Administrative expenses

The administrative expenses decreased by 3.3% or US\$0.10 million from US\$2.88 million in 9M 2021 to US\$2.78 million in 9M 2022 mainly due to the foreign exchange loss of US\$0.17 million vs a gain on the foreign exchange of US\$0.07 million in 9M 2022 as the United States Dollar strengthened against Sterling Pound and impairment loss on goodwill of US\$0.16 million.

Loss for the period

The loss before tax was US\$1.84 million in 9M 2022 and US\$0.90 million in 9M 2021 was mainly due a decrease in gross profit of US\$2.90 million and other income of US\$0.14 million together with an increase in finance costs of US\$0.06 million; offset with the decrease in administrative expenses of US\$0.09 million and selling and distribution expenses of US\$2.06 million.

REVIEW OF FINANCIAL POSITION (CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets decreased by 3.1% or US\$0.37 million from US\$12.19 million as at 31 December 2021 to US\$11.82 million as at 30 September 2022. This was mainly due to the decrease in inventories and trade and other receivables and offset against an increase in cash and bank balances and the reclassification of investment property to non-current asset classified as held for sale.

Non-current assets

Non-current assets decreased by 89.8% or US\$1.50 million from US\$1.67 million as at 31 December 2021 to US\$0.17 million at 30 September 2022. This was primarily due to the impairment loss on goodwill and reclassification of investment property to held for sale under current assets.

Current liabilities

The current liabilities increased by 8.9% or US\$0.85 million from US\$9.56 million as at 31 December 2021 and US\$10.41 million as at 30 September 2022. This was mainly due to the increase in borrowings and the liabilities directly associated with non-current asset classified as held for sale and offset against the decrease in trade and other payables from the purchase of inventories.

Non-current liabilities

Non-current liabilities decreased by 90.4% or US\$0.83 million from US\$0.92 million as at 31 December 2021 and US\$0.09 million as at 30 September 2022. This was mainly due to the reclassification of liabilities directly associated with non-current asset classified as held for sale under current liabilities.

Working capital

The Group working capital decreased by 46.0% or US\$1.21 million from US\$2.63 million as at 31 December 2021 to US\$1.42 million as at 30 September 2022. This was mainly due to the reclassification of liabilities directly associated with non-current asset classified as held for sale under current liabilities.

Shareholders' equity

The Group's shareholders' equity attributable to equity holders decreased by 53.4% or US\$1.74 million from US\$3.26 million as at 31 December 2021 to US\$1.52 million as at 30 September 2022 mainly due to loss incurred in 9M 2022.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

REVIEW OF CASH POSITION (CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS)

Net cash flow generated from operating activities for 9M 2022 was US\$0.33 million, comprising mainly operating cash outflow before working capital of approximately US\$1.45 million and working capital inflow of US\$1.78 million. The working capital inflow was largely due to decreased in trade and other payables of US\$0.44 million offset against the decrease in purchase of inventories of US\$1.52 million and trade and other receivables of US\$0.70 million.

Net cash used in investing activities of US\$11,731 was mainly from purchase of property, plant and equipment.

Net cash generated from financing activities of US\$0.30 million was mainly from the drawdown of borrowings.

Overall, the cash and cash equivalents of the Group increased in 9M 2022, ending the year with cash and cash equivalents of US\$2.13 million.

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

Not applicable. No forecast prospect statements have been previously disclosed to shareholders.

4 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.

Previously reported global events continue to place stress on the E-commerce industry affecting the logistics and financial costs involved. This has resulted in challenges affecting how we maximise revenue and margins.

The Group will continue to adapt our analytics and operational capabilities to these challenges and will closely monitor the situation. In meeting with these challenges, the Company remains vigilant on its cost and cash management policies and seek related opportunities to grow through joint ventures, mergers and acquisitions with synergistic companies to expand its capabilities, customer and revenue base.

The independent review carried out Deloitte & Touche Enterprise Risk Services Pte Ltd (“Deloitte”) was completed and announced on 16 March 2021. The Group noted that internal control weaknesses identified by Deloitte and had implemented their recommendations or undertaken alternative measures. On the same day, SGX RegCo announced that they will investigate further potential Catalist listing rule breaches by the Company, its directors and/or key executive officers as highlighted in the Independent Review report. SGX RegCo also stated in their announcement that the Company has implemented all internal control recommendations highlighted in Deloitte’s report. SGX RegCo expects the audit committee to continue to monitor the internal controls in its finance function and includes these areas of review as part of the scope of its annual internal audit.

The Company will inform shareholders when there is any new development in due course.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

- 4 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. (Cont'd)**

COVID-19 business updates

The Group continues to remain vigilant to the COVID-19 threat as well as to exercise prudence in non-essential capital and operating expenditure. Despite the ongoing COVID-19 pandemic, the Group has sufficient liquidity to meet its near-term debt obligations and operational needs.

5 Dividend Information

- (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 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.

- 6 If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for that decision.**

No interim dividend is declared or recommended for the current financial reporting period 9M 2022 to conserve cash in current uncertain market conditions.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

- 7 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 the period under review.

8 Use of Placement Proceeds

- (A) The proceeds of S\$2.0 million from the placement of 24,660,000 new ordinary shares as announced on 23 September 2019, 4 and 9 October 2019, 27 May, 24 June and 8 September 2022 has been fully utilised.
- (B) The Company received proceeds of S\$840,000 from the placement of 12 million new ordinary shares as announced on 15, 24 and 28 December 2020 and 12 August 2021 and the utilisation of the proceeds as at the date of this announcement is as follows:

Use of proceeds from new shares placement	Amount allocated	Amount utilised as at 30 September 2022	Amount unutilised as at 30 September 2022
	S\$	S\$	S\$
Business expansion through mergers and acquisitions, joint ventures, strategic collaborations and investments	500,000	(250,001)	249,999
General working capital ⁽¹⁾	340,000	(340,000)	-
Total ⁽²⁾	840,000	(590,001)	249,999

Notes:

- (1) Utilised mainly for the payment to suppliers for the purchase of books.
- (2) Includes professional fees and related expenses approximately S\$49,200 incurred in respect of the December 2020 Placement Exercise.

- 9 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.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

10 Negative Assurance Confirmation on Condensed Interim Financial Results 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, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the third quarter and nine months period ended 30 September 2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD
Y VENTURES GROUP LTD.**

Low Yik Sen, Adam
Executive Chairman

Low Yik Jin, Alex
Chief Executive Officer and Executive Director

14 November 2022