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

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2019**

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*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.*

*The contact person for the Sponsor is Mr Leong Weng Tuck, Registered Professional, RHT Capital Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.*

**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 FY2019	1H FY2018	
	US\$	US\$	
<b>Revenue</b>	<b>13,083,176</b>	9,154,058	42.9
Cost of sales	<b>(7,526,428)</b>	(6,096,761)	23.4
<b>Gross profit</b>	<b>5,556,748</b>	3,057,297	81.8
Interest income	<b>14</b>	144	(90.3)
Other income	<b>315,294</b>	94,796	232.6
Selling and distribution expenses	<b>(4,000,536)</b>	(2,438,395)	64.1
Administrative expenses	<b>(2,324,261)</b>	(1,856,532)	25.2
Finance costs	<b>(82,063)</b>	(17,443)	370.5
<b>Loss before tax</b>	<b>(534,804)</b>	(1,160,133)	(53.9)
Tax expense	-	-	NM
<b>Loss for the period</b>	<b>(534,804)</b>	(1,160,133)	(53.9)
<b>Other comprehensive loss:</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	<b>(5,385)</b>	(4,693)	14.7
<b>Total comprehensive loss for the period</b>	<b>(540,189)</b>	(1,164,826)	(53.6)
<b>Loss attributable to:</b>			
Equity holders of the company	<b>(524,199)</b>	(977,556)	(46.4)
Non-controlling interests	<b>(10,605)</b>	(182,577)	(94.2)
	<b>(534,804)</b>	(1,160,133)	(53.9)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the company	<b>(529,797)</b>	(982,051)	(46.1)
Non-controlling interests	<b>(10,392)</b>	(182,775)	(94.3)
	<b>(540,189)</b>	(1,164,826)	(53.6)

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 FY2019	1H FY2018	
	US\$	US\$	
Interest income	(14)	(144)	(90.3)
Bad trade debts written off	1,743	-	NM
Reversal of write-down inventories	(565,109)	-	NM
Write-down of inventories	134,656	48,240	179.1
Amortisation of intangible assets	75,122	48,293	55.6
Rental expense on operating lease	-	64,010	NM
Depreciation of property, plant and equipment	49,135	50,618	(2.9)
Depreciation of right-of-use assets <sup>(1)</sup>	114,822	-	NM
Interest expenses	66,533	17,443	281.4
Interest portion on lease liabilities <sup>(1)</sup>	15,530	-	NM
Unrealised exchange (gain)/losses	(3,505)	59,237	(105.9)
Impairment loss on property, plant and equipment	338	-	NM

Note:

- <sup>(1)</sup> With effect from the financial year beginning 1 January 2019, the Group has adopted the new SFRS(I) 16 – Leases. Further details are set out in paragraph 5 of this announcement.

**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-19	31-Dec-18	30-Jun-19	31-Dec-18
	US\$	US\$	US\$	US\$
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	5,318,350	9,312,820	-	-
Trade and other receivables	894,532	1,197,785	67,551	197,478
Cash and bank balances	1,522,971	1,132,030	244,440	52,033
	<b>7,735,853</b>	<b>11,642,635</b>	<b>311,991</b>	<b>249,511</b>
<b>Non-current assets</b>				
Property, plant and equipment	1,339,040	1,387,756	-	-
Right-of-use assets <sup>(1)</sup>	355,137	-	-	-
Intangible assets	237,487	278,165	-	-
Investments in subsidiaries	-	-	2,344,808	2,344,808
	<b>1,931,664</b>	<b>1,665,921</b>	<b>2,344,808</b>	<b>2,344,808</b>
<b>Total assets</b>	<b>9,667,517</b>	<b>13,308,556</b>	<b>2,656,799</b>	<b>2,594,319</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	4,793,264	6,877,713	562,879	129,288
Tax payable	190,374	190,374	-	-
Borrowings	557,596	1,947,367	-	-
Contract liabilities	12,135	11,268	-	-
Lease liabilities <sup>(1)</sup>	136,460	-	-	-
	<b>5,689,829</b>	<b>9,026,722</b>	<b>562,879</b>	<b>129,288</b>
<b>Non-current liabilities</b>				
Borrowings	878,838	915,888	-	-
Deferred tax liabilities	30,686	30,686	-	-
Lease liabilities <sup>(1)</sup>	273,093	-	-	-
	<b>1,182,617</b>	<b>946,574</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,872,446</b>	<b>9,973,296</b>	<b>562,879</b>	<b>129,288</b>
<b>NET ASSETS</b>	<b>2,795,071</b>	<b>3,335,260</b>	<b>2,093,920</b>	<b>2,465,031</b>

**EQUITY**

Share capital
Currency translation reserve
Accumulated losses
Merger reserve <sup>(2)</sup>
Fair value reserve
Equity attributable to equity holders of the company
Non-controlling interest
<b>Total equity</b>

The Group		Company	
30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
US\$	US\$	US\$	US\$
<b>8,856,288</b>	8,856,288	<b>8,856,288</b>	8,856,288
<b>(12,006)</b>	(6,408)	-	-
<b>(3,541,142)</b>	(3,016,943)	<b>(6,733,367)</b>	(6,362,256)
<b>(2,455,477)</b>	(2,455,477)	-	-
<b>(29,001)</b>	(29,001)	<b>(29,001)</b>	(29,001)
<b>2,818,662</b>	3,348,459	<b>2,093,920</b>	2,465,031
<b>(23,591)</b>	(13,199)	-	-
<b>2,795,071</b>	3,335,260	<b>2,093,920</b>	2,465,031

Notes:

<sup>(1)</sup> Please see paragraph 5 of this announcement for further details.<sup>(2)</sup> 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 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
<b>557,596</b>	-	1,947,367	-

**Amount repayable after one year**

As at 30 Jun 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
<b>878,838</b>	-	915,888	-

**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, 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 FY2019	1H FY2018
	US\$	US\$
<b>Cash flows from operating activities:</b>		
Loss before tax	(534,804)	(1,160,133)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	49,135	50,618
Depreciation of right-of-use assets	114,822	-
Amortisation of intangible assets	75,122	48,293
Impairment loss on property, plant and equipment	338	-
Bad trade debts written off	1,743	-
Interest expense	66,533	17,443
Interest portion on lease liabilities	15,530	-
Unrealised exchange gain	(1,622)	(15)
Interest income	(14)	(144)
Operating cash flows before movements in working capital	(213,217)	(1,043,938)
<u>Working capital changes:</u>		
Receivables	301,510	(230,327)
Inventories	3,994,470	1,645,862
Payables and contract liabilities	(2,083,579)	(1,557,828)
Currency translation adjustments	(1,392)	1,052
Cash generated from/(used in) operations	1,997,792	(1,185,179)
Income tax paid	-	(169,929)
Interest received	14	144
<b>Net cash generated from/(used in) operating activities</b>	<b>1,997,806</b>	<b>(1,354,964)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(565)	(84,139)
Purchases of intangible assets	(34,408)	(131,092)
<b>Net cash used in investing activities</b>	<b>(34,973)</b>	<b>(215,231)</b>

	1H FY2019	1H FY2018
	US\$	US\$
<b>Cash flows from financing activities:</b>		
Interest paid	(66,533)	(17,443)
Interest portion on lease liabilities paid	(15,530)	-
Proceed from issuance of shares	-	914,341
Repayments of borrowings	(1,799,083)	(16,935)
Repayment of principal portion of lease liabilities	(60,735)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,941,881)</b>	<b>879,963</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>20,952</b>	<b>(690,232)</b>
Cash and cash equivalents at beginning of financial period	1,132,030	882,608
Effects of exchange rates changes in cash and cash equivalents	(3,895)	(5,160)
<b>Cash and cash equivalents at end of financial period</b>	<b>1,149,087</b>	<b>187,216</b>

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

	1H FY2019	1H FY2018
	US\$	US\$
Cash and bank balances	1,522,971	507,703
Bank overdraft	(373,884)	(320,487)
	<b>1,149,087</b>	<b>187,216</b>

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 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)
<b>Other comprehensive loss</b>								
Currency translation differences on consolidation	-	(5,598)	-	-	-	(5,598)	213	(5,385)
<b>Total comprehensive loss for the period</b>	-	<b>(5,598)</b>	<b>(524,199)</b>	-	-	<b>(529,797)</b>	<b>(10,392)</b>	<b>(540,189)</b>
<b>At 30 June 2019</b>	<b>8,856,288</b>	<b>(12,006)</b>	<b>(3,541,142)</b>	<b>(2,455,477)</b>	<b>(29,001)</b>	<b>2,818,662</b>	<b>(23,591)</b>	<b>2,795,071</b>
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 period	-	-	(977,556)	-	-	(977,556)	(182,577)	(1,160,133)
<b>Other comprehensive loss</b>								
Currency translation differences on consolidation	-	(4,495)	-	-	-	(4,495)	(198)	(4,693)
<b>Total comprehensive loss for the period</b>	-	<b>(4,495)</b>	<b>(977,556)</b>	-	-	<b>(982,051)</b>	<b>(182,775)</b>	<b>(1,164,826)</b>
Issuance of shares	914,341	-	-	-	-	914,341	-	914,341
<b>At 30 June 2018</b>	<b>8,856,288</b>	<b>(10,297)</b>	<b>(286,608)</b>	<b>(2,455,477)</b>	-	<b>6,103,906</b>	<b>91,351</b>	<b>6,195,257</b>



## STATEMENT OF CHANGES IN EQUITY

The Company	Share capital	Accumulated losses	Fair value reserve	Total
	US\$	US\$	US\$	US\$
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)
<b>At 30 June 2019</b>	<b>8,856,288</b>	<b>(6,733,367)</b>	<b>(29,001)</b>	<b>2,093,920</b>
At 1 January 2018	7,941,947	(1,145,194)	-	6,796,753
Issuance of shares	914,341	-	-	914,341
Net loss and comprehensive loss for the period	-	(281,405)	-	(281,405)
At 30 June 2018	8,856,288	(1,426,599)	-	7,429,689

- 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 2019	205,000,000	12,398,100
<b>Balance as at 30 June 2019</b>	<b>205,000,000</b>	<b>12,398,100</b>

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2019 and 30 June 2018.

The Company did not have any subsidiary holdings as at 30 June 2019 and 30 June 2018.

- 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 2019 was 205,000,000 ordinary shares (31 December 2018: 205,000,000 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, 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 qualifications or emphasis of a matter).**

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

**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 2018.

**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 Standards (International) ("SFRS(I)") and interpretations of SFRS(I) ("SFRS(I) INT") which are effective for its financial year beginning 1 January 2019.

**SFRS(I) 16: Leases**

SFRS(I) 16 requires lessees to recognise 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 recognise the interest expense on the lease liability and the depreciation expense on the ROU asset.

On the adoption of SFRS(I) 16, the Group measured lease liability based on remaining lease payments discounted using the incremental borrowing rate at the date of initial application, 1 January 2019. ROU asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On the adoption of SFRS(I) 16, the Group recognised ROU assets of US\$470,285 and lease liabilities of US\$521,388 for its lease previously classified as operating leases as of 1 January 2019.

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 FY2019	Restated 1H FY2018
Loss attributable to equity holders of the Company (US\$)	(524,199)	(977,556)
Weighted average number of ordinary shares	205,000,000	204,005,525
<b>Basic and diluted EPS (cents) <sup>(1)</sup></b>	<b>(0.3)</b>	<b>(0.5)</b>

Notes:

- (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 19	31 Dec 18	30 Jun 19	31 Dec 18
NAV attributable to equity holders of the Company (US\$)	2,818,662	3,348,459	2,093,920	2,465,031
Number of ordinary shares	205,000,000	205,000,000	205,000,000	205,000,000
NAV per ordinary share based on issued share capital (Cents)	1.37	1.63	1.02	1.20

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 42.9% or US\$3.9 million from US\$9.2 million in 1H FY2018 to US\$13.1 million in 1H FY2019. The increase was mainly due to an increase in the sales of goods on online marketplaces.

The cost of sales increased by 23.4% or US\$1.4 million from US\$6.1 million in 1H FY2018 to US\$7.5 million in 1H FY2019 mainly due to the corresponding increase in sales.

The gross profit margin for 1H FY2019 and 1H FY2018 were approximately 42.5% and 33.4% respectively. The increase in gross profit margin was due to scaling down of the distribution of non-books products which has lower margin and reversal of write-down inventories in 1H FY2019.

The other income increased by 232.6% or US\$0.2 million from US\$0.1 million in 1H FY2018 to US\$0.3 million in 1H FY2019 due to the income generated from providing supplementary services and rental.

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The selling and distribution expenses increased by 64.1% or US\$1.6 million from US\$2.4 million in 1H FY2018 to US\$4.0 million in 1H FY2019 mainly due to the increase in selling expenses incurred from the increase in sales of goods sold through online marketplaces.

The administrative expenses increased by 25.2% or US\$0.5 million from US\$1.8 million in 1H FY2018 to US\$2.3 million in 1H FY2019 mainly due to professional fees incurred on the one-off independent review of US\$0.2 million and higher manpower costs.

The finance costs increased by 370.5% or US\$64,620 from US\$17,443 in 1H FY2018 to US\$82,063 in 1H FY2019 due to the utilisation of the credit facilities and interest expense on lease liabilities.

The loss before tax for 1H FY2019 was US\$0.5 million, an improvement of 53.9% when compared to US\$1.2 million loss before tax recorded in 1H FY2018.

## **REVIEW OF FINANCIAL POSITION (STATEMENTS OF FINANCIAL POSITION)**

### **Current assets**

The current assets decreased by 33.6% or US\$3.9 million from US\$11.6 million as at 31 December 2018 to US\$7.7 million as at 30 June 2019. This was mainly due to the decrease in inventories and trade and other receivables offset by the increase in cash and bank balances.

### **Non-current assets**

Non-current assets increased by 16.0% or US\$0.2 million from US\$1.7 million as at 31 December 2018 to US\$1.9 million as at 30 June 2019. This was primarily due to the Group recording ROU assets of US\$0.4 million as a result of adopting SFRS(I) 16 on 1 January 2019. Further details are set out in paragraph 5 of this announcement.

### **Current liabilities**

The current liabilities decreased by 37.0% or US\$3.3 million from US\$9.0 million as at 31 December 2018 to US\$5.7 million as at 30 June 2019. This was mainly due to the decrease in trade and other payables and borrowings.

### **Non-current liabilities**

Non-current liabilities increased by 24.9% or US\$0.3 million from US\$0.9 million as at 31 December 2018 to US\$1.2 million as at 30 June 2019 due to the Group recording lease liabilities of US\$0.3 million as a result of adopting SFRS(I) 16 on 1 January 2019. Further details are set out in paragraph 5 of this announcement.

### **Working capital**

The Group had working capital of US\$2.0 million as at 30 June 2019 as compared to US\$2.6 million as at 31 December 2018. The decrease was mainly due to the decrease in inventories, trade and other payables and borrowings.

### **Shareholders' equity**

The Group's shareholders' equity decreased by 15.8% or US\$0.5 million from US\$3.3 million as at 31 December 2018 to US\$2.8 million as at 30 June 2019 mainly due to the loss 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 FY2019, a result of operating cash flows before working capital changes of US\$0.2 million, adjusted for net working capital inflows of US\$2.2 million. The working capital inflows was largely due to cash inflow from sales of inventories of US\$4.0 million offset by payment made to payables and contract liabilities of US\$2.2 million.

Net cash used in financing activities of US\$1.9 million was for the repayment of borrowings.

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Overall, the cash and cash equivalents of the Group increased in 1H FY2019, ending the period with cash and cash equivalents of US\$1.1 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 growing ecommerce market and uses its core data analytics capability to drive its growth. This is illustrated by the 42.9% increase in revenue for 1H FY2019 from 1H FY2018.

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 mergers and acquisitions with synergistic companies to expand its capabilities and customer base.

Barring any unforeseen circumstances, the Group is expected to continue growing its revenue while narrowing its losses in 2019.

- 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.**

The Company recorded a net loss and consequently no interim dividend has been declared or recommended for the first half year ended 30 June 2019.

**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 FY2019.

**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:

<b>Use of proceeds from R3 Asian Gems</b>	<b>Amount allocated S\$'000</b>	<b>Amount utilised as at 30 June 2018 S\$'000</b>	<b>Amount unutilised as at 30 June 2018 S\$'000</b>
General working capital (comprising administrative expenses and purchase of products)	<b>1,200</b>	<b>1,200</b>	-
	<b>1,200</b>	<b>1,200</b>	-

**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**

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 2019 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

14 August 2019