

Ref: REG/LC/QR2020020109

6 February 2020

Y VENTURES GROUP LTD.

1 Lorong 2 Toa Payoh

#05-06

Braddell House

Singapore 319637

Attn: The Board of Directors

Dear Sirs

Y VENTURES GROUP LTD. (THE "COMPANY")

NOTICE OF COMPLIANCE: REQUIREMENT TO PERFORM QUARTERLY REPORTING OF UNAUDITED FINANCIAL STATEMENTS

1. Singapore Exchange Regulation ("**SGX RegCo**" or the "**Exchange**") refers to:
 - (a) SGXNet announcement dated 21 January 2019 (Announcement Reference No: SG190121OTHRZL23) titled "*1. Restatement of Accounts for Half Year Ended 30 June 2018, 2. Profit Guidance for the Full Year Ended 31 December 2018*";
 - (b) SGXNet announcement dated 30 January 2019 (Announcement Reference No: SG190130OTHRUVT) titled "*Responses to SGX Queries*";
 - (c) SGXNet announcement dated 1 February 2019 (Announcement Reference No: SG190201OTHRPCUG) titled "*Responses to SGX Queries*";
 - (d) SGXNet announcement dated 12 March 2019 (Announcement Reference No: SG190312OTHRDFF) titled "*Appointment of Independent Reviewer*"; and
 - (e) SGX RegCo's announcement dated 9 January 2020 titled "*SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact*".

Background

2. On 9 January 2020, SGX RegCo announced the removal of the market capitalisation threshold as a basis for quarterly reporting ("**QR**") of financial results. The amended rule 705(2) (the "**Amended Rule 705(2)**") will take effect from 7 February 2020. Instead, SGX RegCo will take a risk-based approach and will require companies to do QR if (a) auditors have issued a qualified opinion, disclaimer of opinion or adverse opinion (collectively, "**modified opinions**") or (b) companies that have a material uncertainty relating to going concern as highlighted by

their auditors, both based on the latest audited financial statements. In addition, SGX RegCo can also exercise our administrative powers to require QR for companies where we have regulatory concerns.

3. SGX RegCo notes that the Company had restated its unaudited financial statements for the half year ended 30 June 2018 (“HY2018”) from a net profit of S\$0.137 million to a net loss of S\$1.2 million, as a result of errors in, amongst others, “Inventories” and “Costs of Sales” balances. These errors arose due to administrative inadvertences in the recording of the accounting entries and internal control lapses of the Company.
4. In light of these developments, in consultation with SGX RegCo, the Company appointed an independent reviewer to review the internal controls of the Group and assess the impact, if any, of such adjustments to prior years’ financial statements as disclosed in the IPO offer document and to-date. SGX RegCo had required, amongst others, that the independent reviewer report the findings directly to the Audit Committee of the Company, Sponsor and SGX RegCo. Deloitte & Touche Enterprise Risk Services Pte Ltd has been appointed as the independent reviewer and the independent review is ongoing.

Exchange’s Directive: Requirement to perform Quarterly Reporting

5. Your company, Y Ventures Group Ltd., will be required to perform QR on an ongoing basis from 7 February 2020. This arises from the modified opinion issued by your statutory auditor in your latest annual report.
6. In addition, for the purposes of ensuring that the market is fair, orderly and transparent, and in view of the regulatory concerns set out above, pursuant to Catalist Rule 305(1)(b), SGX RegCo requires the Company to start performing QR in accordance with the requirements set out in the Amended Rule 705(2) on an ongoing basis. A grace period of one year will be extended to you. For the avoidance of doubt, the Company will report the next set of quarterly financial statements for Q3 period from Jul to Sep 2021 (“QR Commencement Date”) by 14 November 2021.
7. The Company will need to perform QR until further notice from SGX RegCo.
8. In the announcement of your quarterly results, please include a statement on the cover page that the QR announcement is mandatory, made pursuant to the Exchange’s requirements, as required under Listing Rule 705(2C).
9. Companies with modified opinions that are subject to QR will need to provide: (a) updates on 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. This will not be required for any audit issue that relates to going concern.
10. Please announce the Exchange’s directive to the Company and the QR Commencement Date through SGXNet immediately (before 7.30am on 7 February 2020).

11. Pursuant to Catalist Rule 304, failure to comply with the requirements in this notification shall be deemed as a contravention of the Listing Rules.

12. Please note that SGX RegCo reserves the right to take disciplinary action against the Company and / or Relevant Persons for breaches of the Listing Rules, including any failure to comply with the requirements imposed by the Exchange.

Yours faithfully

June Sim
Senior Vice President
Head, Listing Compliance
Singapore Exchange Regulation

cc: Mr Leong Weng Tuck, RHT Capital Pte Ltd