



Y-VENTURES
FIND YOUR EDGE

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2019

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 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.

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 6966.

PART I - INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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)
	FY2019	FY2018	
	US\$	US\$	%
Revenue	24,697,828	18,065,847	36.7
Cost of sales	(15,537,136)	(12,837,624)	21.0
Gross profit	9,160,692	5,228,223	75.2
Other income			
- others	608,322	1,114,180	(45.4)
- interest income	38	477	(92.0)
Selling and distribution expenses	(7,500,865)	(5,257,918)	42.7
Administrative expenses	(3,859,886)	(4,988,987)	(22.6)
Finance costs	(87,058)	(76,436)	13.9
Loss before tax	(1,678,757)	(3,980,461)	(57.8)
Tax expense	(10,095)	(14,854)	(32.0)
Loss for the period	(1,688,852)	(3,995,315)	(57.7)
Other comprehensive income/(loss):			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	8,756	(507)	NM
<i>Items 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)	NM
Total comprehensive loss for the period	(1,680,096)	(4,024,823)	(58.3)
Loss attributable to:			
Equity holders of the company	(1,614,986)	(3,707,891)	(56.4)
Non-controlling interests	(73,866)	(287,424)	(74.3)
	(1,688,852)	(3,995,315)	(57.7)
Total comprehensive loss attributable to:			
Equity holders of the company	(1,606,116)	(3,737,498)	(57.0)
Non-controlling interests	(73,980)	(287,325)	(74.3)
	(1,680,096)	(4,024,823)	(58.3)

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)
	FY2019	FY2018	%
	US\$	US\$	
Impairment loss on receivables	22,309	179,270	(87.6)
Write-down of inventories	25,666	531,364	(95.2)
Amortisation of intangible assets	152,324	122,329	24.5
Bad debts written off	45,052	105,452	(57.3)
Depreciation of investment property	22,858	-	NM
Depreciation of property, plant and equipment	70,422	112,458	(37.4)
Depreciation of right-of-use assets ⁽¹⁾	241,111	-	NM
Foreign exchange loss, net	159,881	75,650	(95.7)
Gain on disposal of property, plant and equipment	(1,287)	-	NM
Gain on disposal of a subsidiary	(109,655)	(852,289)	(87.1)
Interest expenses	77,232	76,436	1.0
Interest portion on lease liabilities ⁽¹⁾	9,826	-	NM
Property, plant and equipment written off	-	6,581	NM
Rental expense on operating lease	-	212,371	NM
Impairment loss on intangible assets	-	26,854	NM
Impairment loss on advance to supplier refundable in cash	-	269,666	NM
Reversal of impairment loss of property, plant and equipment	-	(53,846)	NM
Under provision of income tax in prior years	10,095	12,329	(18.1)

Note:

⁽¹⁾ 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

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	US\$	US\$	US\$	US\$
ASSETS				
Current assets				
Inventories	22,007,020	9,312,820	-	-
Trade and other receivables	1,203,960	1,197,785	1,852,931	197,478
Cash and bank balances	1,208,846	1,132,030	60,032	52,033
	24,419,826	11,642,635	1,912,963	249,511
Non-current assets				
Property, plant and equipment ⁽³⁾	73,944	1,387,756	-	-
Right-of-use assets ⁽¹⁾	263,333	-	-	-
Investment property ⁽³⁾	1,216,863	-	-	-
Intangible assets	182,346	278,165	-	-
Investments in subsidiaries	-	-	2,344,771	2,344,808
	1,736,486	1,665,921	2,344,771	2,344,808
Total assets	26,156,312	13,308,556	4,257,734	2,594,319
LIABILITIES				
Current liabilities				
Trade and other payables	20,372,494	6,877,713	594,101	129,288
Tax payable	190,374	190,374	-	-
Borrowings	1,154,798	1,947,367	-	-
Contract liabilities	3,321	11,268	-	-
Lease liabilities ⁽¹⁾	210,929	-	-	-
	21,931,916	9,026,722	594,101	129,288
Non-current liabilities				
Borrowings	878,078	915,888	-	-
Lease liabilities ⁽¹⁾	108,574	-	-	-
Deferred tax liabilities	30,686	30,686	-	-
	1,017,338	946,574	-	-
Total liabilities	22,949,254	9,973,296	594,101	129,288
NET ASSETS	3,207,058	3,335,260	3,663,633	2,465,031

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	US\$	US\$	US\$	US\$
EQUITY				
Share capital	10,306,302	8,856,288	10,306,302	8,856,288
Currency translation reserve	2,462	(6,408)	-	-
Accumulated losses	(4,631,929)	(3,016,943)	(6,613,668)	(6,362,256)
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	3,192,357	3,348,459	3,663,633	2,465,031
Non-controlling interest	14,701	(13,199)	-	-
Total equity	3,207,058	3,335,260	3,663,633	2,465,031

Notes:

- (1) Please see paragraph 5 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.
- (3) Reclassification from property, plant and equipment to investment property as the Company rented out the office space from 15 April 2019.

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 31 Dec 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
1,154,798	-	1,947,367	-

Amount repayable after one year

As at 31 Dec 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
878,078	-	915,888	-

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.

Secured loan bears fixed interest rate of 7.99% (2018: 10.22%) per annum and is secured by inventories of a subsidiary with carrying value of US\$22,004,822 as at 31 December 2019.

- 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

	FY2019	FY2018
	US\$	US\$
Cash flows from operating activities:		
Loss before tax	(1,678,757)	(3,980,461)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	70,422	112,458
Reversal of impairment loss of property, plant and equipment	-	(53,846)
Depreciation of right-of-use assets	241,111	-
Amortisation of intangible assets	152,324	122,329
Property, plant and equipment written off	-	6,581
Depreciation of investment property	22,858	-
Gain on disposal of a subsidiary	(109,655)	(852,289)
Impairment loss on trade receivables	22,309	179,270
Impairment loss on advance to supplier refundable in cash	-	269,666
Impairment loss on intangible assets	-	26,854
Write-down of inventories	25,666	531,364
Gain on disposal of property, plant and equipment	(1,287)	-
Bad debts written off (trade)	45,052	105,452
Interest expense	87,058	76,436
Unrealised exchange (gain)/loss	8,816	(10,793)
Interest income	(38)	(477)
Operating cash flows before movements in working capital	(1,114,121)	(3,467,456)
<u>Working capital changes:</u>		
Trade and other receivables	(89,026)	(551,208)
Inventories	(12,779,709)	(3,783,934)
Trade and other payables	13,806,289	5,610,040
Currency translation adjustments	14,415	2,293
Cash used in operations	(162,152)	(2,190,265)
Income tax paid	(10,095)	(224,833)
Interest received	38	477
Net cash used in operating activities	(172,209)	(2,414,621)

	FY2019	FY2018
	US\$	US\$
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	5,941	-
Purchase of property, plant and equipment	(565)	(111,705)
Purchase of intangible assets	(56,588)	(214,290)
Net cash (outflow)/inflow from disposal of a subsidiary	(32,587)	287,830
Addition of investment in financial asset at fair value through other comprehensive income	-	(29,001)
Net cash used in investing activities	(83,799)	(67,166)
Cash flows from financing activities:		
Interest paid	(78,524)	(76,436)
Proceed from issuance of shares, net	1,450,014	914,341
Repayment of lease liability	(189,250)	-
Interest paid on lease liability	(8,534)	-
Proceeds from borrowings	1,000,000	1,396,911
Repayments of borrowings	(1,299,658)	(153,827)
Net cash generated from financing activities	874,048	2,080,989
Net increase/(decrease) in cash and cash equivalents	618,040	(400,798)
Cash and cash equivalents at beginning of financial year	480,502	882,608
Effects of exchange rates changes in cash and cash equivalents	(6,684)	(1,308)
Cash and cash equivalents at end of financial year	1,091,858	480,502

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

	FY2019	FY2018
	US\$	US\$
Cash and bank balances	1,208,846	1,132,030
Bank overdraft	(116,988)	(651,528)
	1,091,858	480,502

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 year	-	-	(1,614,986)	-	-	(1,614,986)	(73,866)	(1,688,852)
Other comprehensive loss								
Currency translation differences on consolidation	-	8,870	-	-	-	8,870	(114)	8,756
Total comprehensive (loss)/profit for the year	-	8,870	(1,614,986)	-	-	(1,606,116)	(73,980)	(1,680,096)
Disposal of a subsidiary	-	-	-	-	-	-	101,880	101,880
Issuance of ordinary shares	1,450,014	-	-	-	-	1,450,014	-	1,450,014
At 31 December 2019	10,306,302	2,462	(4,631,929)	(2,455,477)	(29,001)	3,192,357	14,701	3,207,058
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 year	-	-	(3,707,891)	-	-	(3,707,891)	(287,424)	(3,995,315)
Other comprehensive (loss)/profit								
Currency translation differences on consolidation	-	(606)	-	-	-	(606)	99	(507)
Fair value loss on financial assets at fair value through other comprehensive income	-	-	-	-	(29,001)	(29,001)	-	(29,001)
Total comprehensive loss for the year	-	(606)	(3,707,891)	-	(29,001)	(3,737,498)	(287,325)	(4,024,823)
Issuance of ordinary shares	914,341	-	-	-	-	914,341	-	914,341
At 31 December 2018	8,856,288	(6,408)	(3,016,943)	(2,455,477)	(29,001)	3,348,459	(13,199)	3,335,260

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 year	-	(251,412)	-	(251,412)
Issuance of ordinary shares	1,450,014	-	-	1,450,014
At 31 December 2019	10,306,302	(6,613,668)	(29,001)	3,663,633
At 1 January 2018	7,941,947	(1,145,194)	-	6,796,753
Net loss and comprehensive loss for the year	-	(5,217,062)	-	(5,217,062)
Fair value loss on financial assets at fair value through other comprehensive income	-	-	(29,001)	(29,001)
Issuance of ordinary shares	914,341	-	-	914,341
At 31 December 2018	8,856,288	(6,362,256)	(29,001)	2,465,031

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consideration, 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
Issuance of new shares on 9 October 2019	24,660,000	2,002,392
Balance as at 31 December 2019	229,660,000	14,400,492

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2019 and 31 December 2018.

The Company did not have any subsidiary holdings as at 31 December 2019 and 31 December 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 31 December 2019 was 229,660,000 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 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.

Qualified opinion

The financial statements for the financial year ended 31 December 2018 were qualified as auditor was unable to obtain sufficient appropriate audit evidence to ascertain the accuracy, existence and valuation of the carry value of inventories totaling US\$168,118 in a subsidiary, JustNile Pte. Ltd. ("JNPL") as at 31 December 2018.

Efforts

JNPL ceased purchase of inventories from April 2019 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 have been adequately disclosed before signing off on the Group's financial statements prior to the Annual General Meeting.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

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, except for the adoption of new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) which are effective for its financial year beginning 1 January 2019, save as disclosed in section below.

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 the SFRS(I) 16 Leases, with effect from 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated the comparative for 2018 reporting year.

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	
	FY2019	FY2018
Loss attributable to equity holders of the Company (US\$)	(1,614,986)	(3,707,891)
Weighted average number of ordinary shares	210,607,616	204,506,849
Basic and diluted EPS (cents) ⁽¹⁾	(0.8)	(1.8)

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	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
NAV attributable to equity holders of the Company (US\$)	3,192,357	3,348,459	3,663,633	2,465,031
Number of ordinary shares	229,660,000	205,000,000	229,660,000	205,000,000
NAV per ordinary share based on issued share capital (Cents)	1.39	1.63	1.60	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 36.7% or US\$6.6 million from US\$18.1 million in FY2018 to US\$24.7 million in FY2019. The increase was mainly due to an increase in the sales of books on online marketplaces.

The cost of sales increased by 21.0% or US\$2.7 million from US\$12.8 million in FY2018 to US\$15.5 million in FY2019 mainly due to the corresponding increase in sales. In FY2019, there was lower write-down of inventories.

The gross profit margin for FY2019 and FY2018 were approximately 37.1% and 28.9% respectively. The increase in gross profit margin was mainly due to scaling down of the distribution of non-books products which has lower margin in FY2019. In FY2018, there was a write-down of inventories of US\$0.5 million.

The other income decreased by 45.4% or US\$0.5 million from US\$1.1 million in FY2018 to US\$0.6 million in FY2019. In FY2018, the Company divested its shareholding interest in Luminore 8 Pte. Ltd. which resulted a net gain on disposal of US\$0.9 million. In FY2019, the Company divested its shareholding interest in Faire Holdings Pte. Ltd. which resulted a net gain on disposal of US\$0.1 million and higher government grants of US\$0.3 million.

The selling and distribution expenses increased by 42.7% or US\$2.2 million from US\$5.3 million in FY2018 to US\$7.5 million in FY2019 mainly due to the increase in sales of books through online marketplaces and higher storage costs due to the surge in books purchases. In FY2018, the sales of non-books incurred lower selling and distributed expenses.

The administrative expenses decreased by 22.6% or US\$1.1 million from US\$5.0 million in FY2018 to US\$3.9 million in FY2019. In FY2018, there were professional fees incurred by Luminore 8 Pte. Ltd. In FY2019, there was lower allowance for impairment of receivables and write-down of inventories offset by professional fee incurred on the independent review.

The finance costs increased by 13.9% or US\$10,622 from US\$76,436 in FY2018 to US\$87,058 in FY2019 mainly due to the utilisation of the credit facilities and interest expense on lease liabilities.

The loss before tax for FY2019 was US\$1.7 million, an improvement of 57.8% when compared to US\$4.0 million loss before tax recorded in FY2018.

REVIEW OF FINANCIAL POSITION (STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets increased by 109.7% or US\$12.8 million from US\$11.6 million as at 31 December 2018 to US\$24.4 million as at 31 December 2019. This was mainly due to the increase in inventories of book products in anticipation of higher sales in FY2020.

Non-current assets

Non-current assets increased by 4.2% or US\$70,565 from US\$1,665,921 as at 31 December 2018 to US\$1,736,486 as at 31 December 2019. This was primarily due to the Group recording rights-of-use assets 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.

Current liabilities

The current liabilities increased by 143.0% or US\$12.9 million from US\$9.0 million as at 31 December 2018 to US\$21.9 million as at 31 December 2019. This was mainly due to the increase in trade and other payables from the purchase of inventories at year end 2019. In 2019, there was a net repayment of borrowings of US\$0.8 million.

Non-current liabilities

Non-current liabilities increased by 7.5% or US\$70,764 from US\$946,574 as at 31 December 2018 to US\$1,017,338 as at 31 December 2019 mainly due to the Group recording lease liabilities of US\$108,574 as a result of adopting SFRS(I) 16 on 1 January 2019 offset by the decrease in borrowing.

Working capital

The Group had working capital of US\$2.5 million as at 31 December 2019 as compared to US\$2.6 million as at 31 December 2018. The decrease was mainly due to the increase in trade and other payables offset by the decrease in borrowing and increase in inventories.

Shareholders' equity

The Group's shareholders' equity decreased by 4.7% or US\$0.1 million from US\$3.3 million as at 31 December 2018 to US\$3.2 million as at 31 December 2019 mainly due to the loss for the year which was offset by the issuance of shares pursuant to the placement of 24,660,000 new ordinary shares to private investors.

REVIEW OF CASH POSITION (CONSOLIDATED STATEMENTS OF CASH FLOWS)

Net cash flow used in operating activities for FY2019 was US\$0.2 million, comprising mainly operating cash flow before working capital of approximately US\$1.1 million and offset working capital inflow of US\$0.9 million. The working capital inflow was largely due to increase in trade and other payables of US\$13.8 million offset by increased purchase of inventories of US\$12.8 million.

Net Cash used in investing activities of US\$83,799 was mainly from purchase of intangible assets and net cash outflow from disposal of a subsidiary.

Net cash generated from financing activities of US\$0.9 million was mainly from the proceeds through the issuance of shares offset by the repayments of borrowings.

Overall, the cash and cash equivalents of the Group increased in 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 the fast growing e-commerce market and uses its core data analytics capability to drive its growth. With FY2019 revenue increasing by 36.7% and losses narrowing by 57.7%, the Group is cautiously optimistic on its prospects.

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, customer and revenue base.

Barring any unforeseen circumstances, the Group is expected to continue its growth 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.

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 dividend has been declared or recommended for FY2019.

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 FY2019.

14. Use of Placement Proceeds

- (A) 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:

Use of proceeds from R3 Asian Gems	Amount	Amount utilised as at 31 December 2018	Amount unutilised as at 31 December 2018
	allocated S\$'000	S\$'000	S\$'000
General working capital (comprising administrative expenses and purchase of products)	1,200	1,200	-
	1,200	1,200	-

- (B) 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 the proceeds as at the date of this announcement is as follows:

Use of proceeds from new shares placement	Amount	Amount utilised as at 31 December 2019	Amount unutilised as at 31 December 2019
	allocated 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

FY2019 (Unaudited):

	E-commerce retail and distribution US\$	Logistics and freight forwarding services US\$	Waste management services US\$	Others US\$	Eliminations US\$	Total US\$
Revenue						
External customers	24,261,926	25,464	410,438	-	-	24,697,828
Intersegment Sales	-	609,862	-	-	(609,862)	-
Total revenue	24,261,926	635,326	410,438	-	(609,862)	24,697,828
Segment profit/(loss):	1,549,622	(539,216)	381,730	(2,515,035)	-	(1,122,899)
Depreciation	(265,092)	(56,489)	(12,810)	-	-	(334,391)
Amortisation	(152,324)	-	-	-	-	(152,324)
Impairment loss	(70,718)	-	-	(22,309)	-	(93,027)
Gain on disposal on a subsidiary	-	-	-	109,655	-	109,655
Gain on disposal on property, plant and equipment	1,287	-	-	-	-	1,287
Finance costs	(87,058)	-	-	-	-	(87,058)
Loss before tax						(1,678,757)
Income tax expense						(10,095)
Loss for the year						(1,688,852)
Assets						
Segment assets	25,834,751	113,708	105,272	102,555	-	26,156,286
Unallocated assets						26
Total assets:						26,156,312
Liabilities						
Segment liabilities	22,019,941	257,717	8,801	441,735	-	22,728,194
Unallocated liabilities						221,060
Total liabilities:						22,949,254
Capital expenditure	57,153	-	-	-	-	57,153

FY2018 (Audited):

	E-commerce retail and distribution US\$	Logistics and freight forwarding services US\$	Waste management services US\$	Others US\$	Eliminations US\$	Total US\$
Revenue						
External customers	17,512,504	42,012	511,331	-	-	18,065,847
Intersegment Sales	-	421,613	-	-	(421,613)	-
Total revenue	17,512,504	463,625	511,331	-	(421,613)	18,065,847
Segment profit/(loss):	(2,418,485)	(195,799)	432,561	(1,274,463)	-	(3,456,186)
Depreciation	(88,365)	(4,922)	(17,439)	(1,732)	-	(112,458)
Amortisation	(122,329)	-	-	-	-	(122,329)
Impairment loss	(1,065,341)	-	-	-	-	(1,065,341)
Gain on disposal of a subsidiary	-	-	-	852,289	-	852,289
Finance costs	(76,436)	-	-	-	-	(76,436)
Loss before tax						(3,980,461)
Income tax expense						(14,854)
Loss for the year						(3,995,315)
Assets						
Segment assets	12,936,896	103,168	165,541	99,511	-	13,305,116
Unallocated assets						3,440
Total assets:						13,308,556
Liabilities						
Segment liabilities	9,522,901	92,796	8,338	128,201	-	9,752,236
Unallocated liabilities						221,060
Total liabilities:						9,973,296
Capital expenditure	317,682	-	-	8,313	-	325,995

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

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 are located in Singapore.

Please refer to paragraph 8 for further information on segmented revenue of the Group.

18. A breakdown of sales as follows:

		The Group		Change %
		FY2019	FY2018	
		US\$'000	US\$'000	
First Half				
(a)	Sales reported for first half year	13,083,176	9,154,058	42.9
(b)	Operating loss after tax before deducting minority interests reported for first half year	(534,804)	(1,160,133)	(53.9)
Second Half				
(c)	Sales reported for second half year	11,614,652	8,911,789	29.2
(d)	Operating loss after tax before deducting minority interests reported for second half year	(1,154,048)	(2,835,182)	(59.4)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

		The Group	
		FY2019	FY2018
		US\$'000	US\$'000
Ordinary dividend		-	-

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Low Yik Sen	41	Sibling of Low Yik Jin (CEO and Executive Director)	Managing Director of the Group since 1 March 2019. He was re-designated from Executive Chairman and Managing Director of the Group which he held since 2017. He is responsible for overseeing the logistics arm of the Group, focusing on sourcing and procurement, freight forwarding as well as waste management services.	On 1 March 2019, he was re-designated from Executive Chairman and Managing Director to Managing Director of the Group. There are no changes in his roles and responsibilities after his re-designation as Managing Director of the Group.
Low Yik Jin	39	Sibling of Low Yik Sen (Managing Director)	CEO and Executive Director of the Group since 2017. He is responsible for the overall day-to-day management of the Group including business strategy, online marketplace channel expansion, online sales and technology development.	Not applicable
Sean Goh Hong Yi*	31	Son of Goh Cher Shua (Independent Director and Audit Committee Chairman)	Sean was hired since June 2017 as Head of Data Science. He currently occupies a managerial position and is not an executive officer of the Group. He reports directly to the CEO and his salary, remuneration, employment benefits, and other terms of remuneration are not determined by the Remuneration Committee.	With effective 1 September 2019, Sean has taken on additional responsibilities of overseeing day-to-day operations and logistics of the book division.

Note:

*Mr Sean Goh Hong Yi was hired (as Head of Data Science) by the Company's subsidiary, LYJ International Pte. Ltd. and is not an executive officer of the Company. He was hired prior to Mr Goh Cher Shua becoming a Director of the Company. The salary, remuneration, employment benefits, and other terms of remuneration are not subject to review, approval or determination of Remuneration Committee. Accordingly, Mr Goh's independence is not affected by Catalist Rules 406(3)(d).

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

26 February 2020