



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

**SUBSCRIPTION AND ACQUISITION OF SHARES IN TOYRRENTIAL PTE. LTD.
AND LOAN TO TOYRRENTIAL PTE. LTD.**

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Y Ventures Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 12 August 2021, entered into a binding term sheet (the “**Term Sheet**”) with Toyrrential Pte. Ltd. (“**Toyrrential**”) and its shareholders, being Tey Beng Huan (“**TBH**”) and Evolve Capital Management Private Limited (“**ECM**”), in which (i) the Company has agreed to subscribe for, and Toyrrential has agreed to issue 5,000 ordinary shares representing 50.00% of the enlarged equity interest of Toyrrential post-subscription (the “**Subscription**”), and (ii) TBH has agreed to sell, and the Company has agreed to purchase, 1 ordinary share representing 0.01% of the enlarged equity interest of Toyrrential post-Subscription (the “**Acquisition**”).

2. INFORMATION ON TOYRRENTIAL

- 2.1 Toyrrential is a company incorporated on 25 February 2020 with limited liability under the laws of Singapore and as at the date of the Term Sheet, has an issued and paid-up capital of S\$12 comprising 5,000 ordinary shares. Toyrrential is principally engaged in the business of product development of collectible toys, has a collectible toy marketplace platform, and has a wholly-owned subsidiary, Century Fugu Pte. Ltd.. Toyrrential utilises blockchain technology to trace the provenance of collectible toys that Toyrrential distributes. Century Fugu Pte. Ltd. is principally engaged in the business of manufacturing and distributing collectible designer soft vinyl toys online, and on 26 July 2021, signed a memorandum of understanding with Tsuburaya Productions Co., Ltd. to enter into a licensing agreement for a license to produce and distribute Ultraman collectible soft vinyl figurines for the next three years.
- 2.2 Post-Subscription and Post-Acquisition, Toyrrential will become an associated company of the Company, and the shareholders of Toyrrential and their respective shareholding interests in Toyrrential will be as set out below:

Shareholder	Number of ordinary shares held in Toyrrential	Shareholding interest (%)
TBH	1,499	14.99%
ECM	3,500	35%
Company	5,001	50.01%

3. CONSIDERATION

- 3.1 The aggregate consideration for the Subscription is S\$250,000, and the consideration for the Acquisition is S\$1 (collectively, the “**Consideration**”) which shall be paid by the Company in cash.

3.2 The Consideration was arrived at on an arm's length and willing-buyer, willing-seller basis, taking into account, *inter alia*, Toyrrential's earnings, IP, licenses, growth potential and future plans. No valuation was conducted on Toyrrential with respect to the Subscription and Acquisition.

4. LOAN FACILITY

4.1 Subject to the condition in Section 4.2 being satisfied, the Company shall extend a S\$500,000 loan facility to Toyrrential, which shall mature 2 years from the drawdown date, with interest rate at the rate of cost of funds plus simple interest of 1% per annum (the "Loan"). The Loan shall be used solely to fulfil the orders in Toyrrential's order book, which includes the procurement of materials, supplies and production costs, as well as any other purposes approved in writing by the Company.

4.2 The Loan is conditional on Toyrrential achieving at least S\$3 million worth of purchase orders in its order book, as verified and confirmed by Baker Tilly TFW LLP, within twelve months from the date of the Term Sheet.

5. FURTHER PRINCIPAL TERMS OF THE TERM SHEET

5.1 Further principal terms of the Term Sheet are set out below:

(i) Toyrrential and ECM will use their best efforts to ensure that Toyrrential procures purchase orders (the "Projected Purchase Orders") of at least:

(a) S\$3 million for the first 12 months after the date of the Term Sheet; and

(b) S\$6 million for the second 12 months after the date of the Term Sheet.

(ii) In the event of shortfall in the Projected Purchase Orders by the end of the second year after the date of the Term Sheet ("PPO Shortfall"), ECM agrees to transfer its shares in Toyrrential to the Company, as calculated in accordance with the formula set out below, at nominal value:

$$\begin{array}{rcccl} \text{\% of shares in Toyrrential to be} & = & \text{Shortfall} & \times & 0.35 \\ \text{transferred from ECM to the} & & \text{quantum} & & \\ \text{Company*} & & \hline & & 9,000,000 & & \end{array}$$

* to be rounded up to the nearest whole number

(iii) In the event of PPO Shortfall, Toyrrential, the Company and ECM may mutually agree to a 12 months extension of the respective time period to procure the fulfilment of the Projected Purchase Orders.

(iv) Toyrrential's board shall be comprised of 2 directors, of which 1 shall be appointed by the Company, and 1 shall be TBH.

6. RATIONALE FOR THE SUBSCRIPTION, ACQUISITION AND THE LOAN

The rationale for and benefits of the Subscription, Acquisition and the Loan (collectively, the "Investment") are, *inter alia*, as follows:

(i) The Company sees synergy between its data analytics and e-commerce sales capabilities and Toyrrential's collectible toys business, which is mainly marketed online and is in line with its existing business of online e-commerce; and

(ii) To increase the Company's online revenue stream and to tap into the growing global collectible designer toy market. Toyrrential collaborates with various established designers, and global brands such as Ultraman, to produce collectible designer toys.

Given the foregoing, the Company believes that the Investment will enhance shareholder value for the Company.

7. FINANCING

The Consideration will be fully funded by the use of S\$250,001 out of the placement proceeds of S\$840,000, from the Company's placement of 12,000,000 new ordinary shares on 28 December 2020.

8. FINANCIAL EFFECTS OF THE INVESTMENT

The *pro forma* financial effects of the Investment set out below, based on the Group's audited consolidated financial statements for the financial year ended 31 December 2020 ("FY2020") and Toyrrential's unaudited financial statements for the financial year ended 31 December 2020, are purely for illustrative purposes only and do not reflect the future actual financial position and performance of the Company or the Group after the Investment. The financial effects as shown below have been prepared on the assumption that the expenses in connection with the Investment have been disregarded.

8.1 NTA

The effects of the Investment on the consolidated NTA per Share of the Group for FY2020, assuming that the Investment had been completed on 31 December 2020 would be as follows:

	Before the Investment	After the Investment
NTA ⁽¹⁾ (US\$'000)	4,584,238	4,578,450
Number of issued Shares ('000) (excluding treasury shares and subsidiary holdings)	241,660,000	241,660,000
NTA per Share (cents)	1.90	1.89

Note:

- (1) NTA refers to total assets less the sum of total liabilities, non-controlling interest and intangible assets.

8.2 Earnings per Share

The effects of the Investment on the consolidated earnings per Share of the Group for FY2020, assuming that the Investment had been completed on 1 January 2020 would be as follows:

	Before the Investment	After the Investment
Profit attributable to owners of the Company ⁽¹⁾ (US\$'000)	739,289	733,500
Weighted average number of issued Shares ('000) (excluding treasury shares and subsidiary holdings)	229,791,148	229,791,148
Earnings per Share (cents)	0.32	0.32

Note:

- (1) Profit attributable to owners of the Company refers to the profit before income tax and extraordinary items, and after deducting non-controlling interests.

9. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Investment computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”) based on the Group’s latest announced audited consolidated financial statements for FY2020 are as follows:

Rule	Bases	Relative Figures
1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable to an acquisition of assets
1006(b)	Net profits attributable to the assets acquired, compared with the Group’s net profits	(0.76)% ⁽¹⁾
1006(c)	Aggregate value of the Consideration, Loan, and the absolute value of Toyrrential’s negative net asset value (“ Toyrrential’s NAV ”), compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	4.51% ⁽²⁾
1006(d)	Number of equity securities issued by the Company as consideration for the Investment, compared with the number of equity securities previously in issue	Not applicable
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable

Notes:

- (1) Based on Toyrrential’s unaudited loss before tax of S\$7,864¹ for FY2020 and the Group’s audited profit before tax of US\$759,723 for FY2020.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. Based on the relative figures above, pursuant to Practice Note 10A paragraph 4.3(a) of the Catalist Rules, no announcement or shareholders’ approval of the Investment is required.

- (2) Based on the Consideration and Loan and Toyrrential’s NAV of S\$250,001, S\$500,000, and S\$7,864 respectively and the Company’s market capitalisation of approximately US\$16,786,072 on 11 August 2021 (being the last market day on which the Company’s shares were traded preceding the date of the Term Sheet), computed based on the Company’s volume weighted average price of S\$0.064 per Share and the Company’s total number of issued Shares of 246,854,000 Shares.

¹ Unless otherwise stated, the US\$ equivalent of the S\$ figures in this Announcement has been arrived at based on an exchange rate of US\$1:S\$1.35870 as at 11 August 2021. Any discrepancies in figures included in this Announcement between the amounts shown and the totals thereof may be due to rounding.

Pursuant to Practice Note 10A paragraph 3.2(b)(ii) and (iv) of the Catalyst Rules, for the purposes of computing the relative figures of Rule 1006(c), the Company must consider any additional amounts related to the Investment, including loans or guarantees extended by the Company, as well as the absolute value of the negative net asset value of Toyrrential.

As the relative figures computed on the bases set out in Rule 1006(b) and (c) of the Catalyst Rules does not exceed 5%, the Investment is considered a “non-discloseable transaction” within the meaning of Chapter 10 of the Catalyst Rules.

Notwithstanding the above, the Company is disclosing the Investment, given that the Investment results in Toyrrential becoming an associated company of the Company.

10. DIRECTORS' SERVICE CONTRACTS

No director is proposed to be appointed to the Company in relation to the Investment.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Investment, other than through their respective shareholdings (if any), employment and/or directorship (as applicable) in the Company.

12. DOCUMENT FOR INSPECTION

A copy of the Term Sheet is available for inspection during normal office hours at the Company's registered office at 1 Lor 2 Toa Payoh, #05-06 Braddell House, Singapore 319637 for three (3) months from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 8518 8066 prior to making any visits to arrange for a suitable time slot for the inspection.

By Order of the Board

Lew Chern Yong
Executive Chairman and Director
12 August 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Leong Weng Tuck - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com