

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

(Registration No. 34713)

(Incorporated in Bermuda)

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (SGD'000)

For the third quarter ended 30 September 2017

	<u>Group</u> 3 rd quarter ended 30 September			<u>Group</u> 9 months ended 30 September		
	<u>2017</u>	<u>2016</u>	<u>+ / (-) %</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-) %</u>
<u>Continuing operations</u>						
Revenue	147	2	7250	566	2	28200
Cost of sales	(0)	(1)	(100)	(24)	(1)	2300
Gross profit	147	2	7250	542	2	27000
Other operating (expense) income		-	Nm	51	(3)	(1600)
Selling expenses	(31)	(11)	(182)	(47)	(11)	527
Administrative expenses	(752)	(387)	94	(1,496)	(682)	319
Finance costs	(11)	(1)	1000	(12)	(2)	700
Profit (loss) before other income	(648)	(397)	63	(961)	(697)	(127.06)
Other non-operating income	73	4195	(98)	-	4195	-
Profit / (Loss) before Tax	(576)	3797	(115)	(961)	3498	127
Income tax expense	-	-	-	-	-	-
Net profit after income tax	(576)	3797	(115)	(961)	3498	127
Less: Net income attributable to non-controlling interest	-	81	-	-	81	-
Net profit / (loss) attributable to shareholders	(576)	3878	(115)	(961)	3579	127
<u>Discontinued operations (Note A)</u>						
(Loss) / Profit for the period from discontinued operations	-	-	Nm	-	(3139)	Nm
(Loss) / Profit for the period, representing total comprehensive (loss) / income for the period, attributable to equity holders of the company	(576)	3878	Nm	(961)	440	Nm

Nm: not meaningful

Note A - Discontinued operations

On 15 March 2016, the Company has obtained shareholders' approval at the Special General Meeting ("SGM") for the Proposed Disposal of the Company's entire interests in its two (2) wholly-owned subsidiaries, East Jade International Limited and Aim Tech Network Investment Limited ("Disposal Group") to Manfaith Investments Ltd. for a consideration of RMB420 million.

8Telecom International Holdings Co. Ltd.

Unaudited Results For The Third Quarter Ended 30 September 2017

The Company has completed the disposal of the entire interest in the Disposal Group on 21 July 2016. Pursuant to the Completion, an amount equivalent to the cash consideration has been paid by the purchaser.

Discontinued operations (SGD'000)

	<u>Group</u> 3rd quarter ended 30 September			<u>Group</u> 9 months ended 30 September		
	<u>2017</u>	<u>2016</u>	<u>+ / (-) %</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-) %</u>
Revenue	-	-	Nm	45,496	(43.71)	
Cost of sales	-	-	Nm	(38,760)	(40.89)	
Gross profit	-	-	Nm	6,736	(55.73)	
Other operating income	-	-	Nm	714	14.67	
Changes in fair value of futures contracts and other financial assets	-	-	Nm	-	Nm	
Selling expenses	-	-	Nm	(2,274)	36.14	
Administrative expenses	-	-	Nm	(6,502)	5.14	
Finance costs	-	-	Nm	(1,190)	46.54	
(Loss) / Profit before income tax	-	-	Nm	(2515)	(176.32)	
Income tax credit (expense)	-	-	Nm	(315)	77.04	
Net (loss) / profit after income tax from discontinued operations	-	-	Nm	(2831)	(247.24)	

1(a)(ii) Profit before income tax was arrived at after (crediting) charging the following (SGD'000):

	<u>Group</u> 3rd quarter ended 30 September			<u>Group</u> 9 months ended 30 September		
	<u>2017</u>	<u>2016</u>	<u>+ / (-) %</u>	<u>2017</u>	<u>2016</u>	<u>+ / (-) %</u>
<u>Continuing operations</u>						
Finance cost	-	-	Nm	1	(30)	
Net foreign exchange loss (gain)	-	-	Nm	3	(103)	
<u>Discontinued operations</u>						
Allowance for doubtful trade receivables	-	-	Nm	120	(79.79)	
Depreciation and amortisation expense	-	-	Nm	1,005	(23.54)	
Finance cost	-	-	Nm	1,192	(47.80)	
Interest income	-	-	Nm	(118)	67.78	
Government grants	-	-	Nm	(562)	(17.48)	
Research costs	-	-	Nm	1,930	(51.56)	
Net foreign exchange loss (gain)	-	-	-	-	-	

Nm: not meaningful.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION (SGD'000)

As at 30 September 2017

	<u>As at</u> <u>30/09/2017</u>	<u>Group</u> <u>As at</u> <u>31/12/2016</u>	<u>+ / (-) %</u>	<u>As at</u> <u>30/09/2017</u>	<u>Company</u> <u>As at</u> <u>31/12/2016</u>	<u>+ / (-) %</u>
ASSETS						
Current assets:						
Cash and bank balances	1663	459	32900	38	13	(81)
Other financial assets	-	-	Nm	-	-	Nm
Trade receivables	192	21	814	-	-	Nm
Amount due from subsidiaries	-	-	Nm	-	-	Nm
Other receivables and prepayments	195	23	748	-	62	Nm
Construction contracts	-	-	Nm	-	-	Nm
Inventories	-	-	Nm	-	-	Nm
Property under development	-	-	Nm	-	-	Nm
Total current assets	2049	503	307	38	75	(81)
Non-current assets:						
Investment in subsidiaries	-	-	-	-	2	Nm
Investment in associate	-	-	-	-	-	Nm
Investment properties	-	-	Nm	-	-	Nm
Derivative financial instrument	-	-	Nm	-	-	Nm
Property, plant and equipment	282	105	169	-	-	Nm
Prepayments	-	-	Nm	-	-	Nm
Fixed deposit	80	78	3	-	-	Nm
Total non-current assets	362	183	(84)	-	-	Nm
Total assets	2411	686	251	38	77	(51)

	<u>As at</u> <u>30/09/2017</u>	<u>Group</u> <u>As at</u> <u>31/12/2016</u>	<u>+ / (-) %</u>	<u>As at</u> <u>30/09/2017</u>	<u>Company</u> <u>As at</u> <u>31/12/2016</u>	<u>+ / (-) %</u>
LIABILITIES AND EQUITY						
Short-term bank borrowings	-	-	Nm	-	-	Nm
Trade payables	-	-	Nm	-	-	Nm
Amount due to subsidiaries	-	-	Nm	-	-	Nm
Amount due to a related party	5,118	-	Nm	-	-	Nm
Other payables and accrued expenses	1,394	3,874	198	2919	2521	16
Income tax payable	-	-	Nm	-	-	-
Provision for land appreciation tax	-	-	Nm	-	-	-
Total current liabilities	6512	2812	132	2919	2521	16
Non-current liabilities						
Other payables	-	-	Nm	-	-	-
Long-term bank loans	-	-	Nm	-	-	-
Deferred tax liabilities	-	-	Nm	-	-	-
Non-controlling interest	-	237	Nm	-	-	-
Total non-current liabilities	-	237	Nm	-	-	-
Equity						
Shareholders' equity	(4101)	(323)	1370	(2,881)	(2,444)	(18)
Total equity	(4101)	(323)	1370	(2,881)	(2,444)	(18)
Total liabilities and equity	2411	2727	(12)	38	77	(51)

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Discontinued operations**Amount repayable in one year or less, or on demand as at 30 September 2017**

<u>As at 30 September 2017</u>		<u>As at 31 December 2016</u>	
<u>SGD'000</u>		<u>SGD'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	-	-

Amount repayable after one year

<u>As at 30 September 2017</u>		<u>As at 31 December 2016</u>	
<u>SGD'000</u>		<u>SGD'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	-	-

Details of any collateral

	<u>As at 30</u> <u>September</u> <u>2017</u>	<u>As at 31</u> <u>December</u> <u>2016</u>
Secure by fixed deposits	-	-
Secured by land use right	-	-
Secured by investment properties	-	-
Secured by properties under development	-	-
Secured by building	-	-

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 STATEMENT OF CASH FLOWS (SGD'000)
For the third quarter ended 30 September 2017

	Group	
	<u>Q3 2017</u>	<u>Q3 2016</u>
Operating activities:		
(Loss) / Profit before income tax:	(961)	3797
- Continuing operations		
- Discontinued operations		
Adjustment for:		
Depreciation and amortization expense	45	7
Loss on disposal of property, plant and equipment	-	-
Gain on disposal of subsidiary	-	(4,185)
Minority Interests in income of subsidiary	-	81
Finance costs	-	1
Interest income	-	-
Allowance for doubtful trade receivables	-	-
Changes in fair value of other financial assets	-	-
Operating (Loss) / profit before working capital changes	(916)	(300)
Trade receivables	(171)	(3)
Other receivables and prepayments	(172)	66
Amount due from related parties	5,118	631
Construction contracts	-	-
Inventories	-	-
Trade payables	-	-
Other payables and accrued expenses	(2,480)	939
Minority Interest	-	237
Cash generated from / (used in) operations	1,379	1571
Interest received	-	-
Interest paid	-	(1)
Income tax paid	-	-
Net cash from / (used in) operating activities	1,379	1,570
Investing activities		
Goodwill on acquisition of subsidiary	-	(2191)
Net Proceeds from sale of discontinued operations	-	41,866
Proceeds from disposal of other financial assets	-	-
Purchase of property, plant and equipment	(177)	(124)
Net cash used in investing activity	(177)	39,511
Financing activities		
Repayments of short-term bank loans	-	-
Increase in short-term bank borrowings	-	-
Increase in long-term bank loans	-	-
Repayments of long-term bank loans	-	-
Advances from a related party	-	-
Repayment of advances to a related party	-	-
Dividends paid	-	(41,580)
Pledged fixed deposits	2	-
Net cash (used in) / from financing activities	2	(41,580)

CONSOLIDATED STATEMENT OF CASH FLOWS (SGD'000)
For the third quarter ended 30 September 2017

	Q3 2017	Group	Q3 2016
Net (decrease) / increase in cash and cash equivalents	1,204		(459)
Cash and cash equivalents at beginning of period	459		847
Cash and cash equivalents at end of period (Note 1)	1,663		388

Note 1:

	Q3 2017	Group	Q3 2016
Cash and bank balances	1,743		388
Less: Fixed deposits pledged	-80		-
Cash and cash equivalents at end of period	1,663		388

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.

There was no change in the Company share capital during the third quarter ended 30 September 2017.

As at 30 September 2017, there were no share that may be issued on conversion of any outstanding convertibles or share option (2016: Nil)

Attributable to equity holders of the Company

	Share Capital	Treasury Shares	Share Premium	Other reserve	Capital Reserve	Share Based Payment Reserve	Asset Revaluation Reserve	Accumulated Profits	Non Controlling Interest	Total equity
	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>
<u>Group</u> Balance as at 1 July 2017	165	(27)	-	-	-	318	-	(3,249)	(498)	(3,747)
Gain for the period, representing total comprehensive profit for the period	-	-	-	-	-	-	-	(961)	-	(961)
Balance as at 30 September 2017	165	(27)	-	-	-	318	-	(4,210)	(498)	(4,708)
<u>Group</u> Balance as at 1 July 2016	16,191	(2,628)	24,189	14,488	(2,228)	311	4,221	51,129	-	105,673
Gain for the period, representing total comprehensive profit for the period	-	-	-	-	-	-	-	3,877	-	3,877
Capital Reduction	(16,029)	2,602	(24,189)	-	-	-	-	184,395	-	-
Disposal of subsidiaries	-	-	-	(14,111)	2,228	-	(4,221)	(52,190)	-	(68,294)
Dividend payment	-	-	-	-	-	-	-	(41,580)	-	(41,580)
Balance as at 30 September 2016	162	(26)	-	377	-	312	-	(1,146)	-	(322)

	Share Capital	Treasury Shares	Share Premium	Share Based Payment Reserve	Accumulated Profits	Total equity
	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>	<u>SGD'000</u>
<u>Company</u>						
Balance as at 1 July 2017	165	(27)	-	318	(3,272)	(2,816)
Profit for the period, representing total comprehensive profit for the period	-	-	-	-	(375)	(375)
Balance as at 30 September 2017	<u>794</u>	<u>(129)</u>	<u>-</u>	<u>1,527</u>	<u>(3,647)</u>	<u>(3,191)</u>
Balance as at 1 July 2016	16,191	(2,628)	24,189	311	(322)	37,741
Profit for the period, representing total comprehensive profit for the period	-	-	-	-	47,190	47,190
Capital Reduction	(16,029)	2,601	(24,189)	-	37,617	-
Dividend payment	-	-	-	-	(84,801)	(84,801)
Balance as at 30 September 2016	<u>162</u>	<u>(26)</u>	<u>-</u>	<u>311</u>	<u>(317)</u>	<u>130</u>

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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares 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.

The new management of the Company, upon taking over, conducted a review of the number of shares and The Central Depository had confirmed that the number of treasury shares are 2,043,600.

Accordingly, the number of ordinary shares held as treasury shares as at 30 September 2017 was 2,043,600 shares (30 September 2016: 3,150,000 shares).

As at 30 September 2017, there were no shares that may be issued on conversion of any outstanding convertibles or share option (30 September 2016: Nil).

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 new management of the Company, upon taking over, conducted a review of the number of shares and The Central Depository had confirmed that the total number of issued shares excluding treasury shares are 93,737,249.

The total number of issued shares excluding treasury shares as at 30 September 2017 is 93,737,249 shares (30 September 2016: 92,630,849 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during 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.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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 unaudited financial statements for the current financial period as those of the audited financial statements for the for the year ended 31 December 2016, as well as all the applicable International Financial Reporting Standards ("IFRSs") which became effective for the financial year beginning on or after 1 January 2017. The adoption

of these new and revised IFRSs has no material effect on the unaudited financial statements for the current financial period.

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.

There have been no changes in accounting policies and methods of computation.

6. (Loss) 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.

	<u>Group</u>	
	<u>2017Q3</u>	<u>2016Q3</u>
<u>Continuing operations</u>		
Basic EPS (SGD cents)	(0.006)	(0.17)
Diluted EPS (SGD cents)	(0.006)	(0.17)
<u>Discontinued operations</u>		
Basic EPS (SGD cents)	-	-
Diluted EPS (SGD cents)	-	-

The calculation of basic (loss) earnings per ordinary share for 2017Q3 was based on 93,737,249 (2016Q3: 92,630,849) ordinary shares in issued.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>30/09/2017</u>	<u>31/12/2016</u>	<u>30/09/2017</u>	<u>31/12/2016</u>
Net asset value per ordinary share (SGD cents)	(0.04)	(0.35)	-	0.14

Net asset value per share is based on the existing number of shares in issue of 93,737,249 ordinary shares (2016: 92,630,849 ordinary shares) as at 30 September 2017.

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.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

A breakdown of the Group's revenue by product segments:

	9 months ended 30 September		
	2017	2016	+/(-)%
	SGD'000	SGD'000	
<u>Discontinued operations</u>			
Revenue by business segments:			
Telecommunication pipes	-	3,527	(100)
Telecommunication & other towers	-	19,789	(100)
Telecommunication engineering services	-	21,534	(100)
Property	-	646	(100)
Total Revenue	-	45,496	(100)

Consolidated Statement of Profit and Loss and Other Comprehensive Income

The increase in the Group's revenue is as Arete M's revenue is now taken into account.

At the same time, the selling and administrative expenses and finance costs for continuing operations has increased from SGD0.3 million to SGD1.5 million. This is due to the operation of Arete M.

As a result of higher selling and administrative expenses and finance costs incurred in for the nine months period ended 30 September 2017, the Group recorded total comprehensive loss of SGD 0.96 million as compared to total comprehensive income of SGD 3.8 million generated during the same period in 2016.

Statement of Financial Position

Total assets stood at SGD2.4 million as at 30 September 2017, which comprised of SGD2 million of current assets and SGD0.4 million of non-current assets. Both cash and receivables has increased significantly due to the operations of Arete M.

Total liabilities stood at SGD6.5 million as at 30 September 2017, these are all current liabilities. The liabilities.

Consolidated Statement of Cash Flows

There was an inflow of SGD 1.38 million from operating activities for Q3 2017 as compared with an outflow of SGD1.57million for Q3 2016. This is due to Arete M's investment into its operations.

Cash and cash equivalents as at 30 September 2017 is approximately SGD 1.66 million, an increase of SGD1.27 million as compared to SGD0.39 million as at 30 September 2016.

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

Not applicable.

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 is focusing on assisting Arete M to secure sufficient capital to support its future growth in the information-communication services industry, and is currently seeking for investors. The Group is also exploring for new business so as to increase revenue streams, and will update shareholders as and when necessary.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

(b) (i) Amount per share (cents)

(b) (ii) Previous corresponding period (cents)

(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).

(d) The date the dividend is payable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, 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.

None

14. Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

Pursuant to Rule 705(5) of the SGX Listing Manual, on behalf of the Board of Directors, Wang Zhejun and Wilson Lim Tiong How, being two directors of the Company, do hereby confirm to the best of our knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the third quarter ended 30 September 2017 to be false or misleading in any material respect.

On behalf of the Board of Directors

Wang Zhejun
Director

Wilson Lim Tiong How
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) of the SGX listing Manual have been obtained from its Directors in the format set out in Appendix 7.7 of the SGX Listing Manual.

FOR AND ON BEHALF OF THE BOARD

WANG ZHEJUN
Executive Director
14 November 2017