

## Unaudited Financial Statement and Dividend Announcement – For Quarter 1 FY2016 from 1 January 2016 to 31 March 2016

### PART - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Unaudited Consolidated Income Statement

|                                              | GROUP                      |                            |                          |
|----------------------------------------------|----------------------------|----------------------------|--------------------------|
|                                              | Quarter Ended<br>31-Mar-16 | Quarter Ended<br>31-Mar-15 | Increase /<br>(Decrease) |
|                                              | S\$                        | S\$                        | %                        |
| <b>Revenue</b>                               | <b>778,286</b>             | <b>1,628,124</b>           | -52%                     |
| Cost of media sales                          | (447,345)                  | (259,931)                  | 72%                      |
| Administrative expenses                      | (1,073,648)                | (1,315,968)                | -18%                     |
| Other income - net                           | 252,158                    | 349,743                    | -28%                     |
| Other expenses - net                         | (420)                      | (829,643)                  | -100%                    |
| <b>Loss from operations</b>                  | <b>(490,969)</b>           | <b>(427,675)</b>           | 15%                      |
| Finance income                               | 446                        | 146                        | 205%                     |
| Finance costs                                | (60,998)                   | (576,897)                  | -89%                     |
| Share of profit/(loss) of associated company | 791,585                    | (504,426)                  | nm                       |
| <b>Profit/(Loss) before tax</b>              | <b>240,064</b>             | <b>(1,508,852)</b>         | nm                       |
| Income tax credit                            | (1,873)                    | (2,229)                    | -16%                     |
| <b>Profit/(Loss) after tax</b>               | <b>238,191</b>             | <b>(1,511,081)</b>         | -116%                    |
| <b>Profit/(Loss) attributable to:</b>        |                            |                            |                          |
| Owners of the Company                        | 273,704                    | (1,470,755)                | nm                       |
| Non-controlling interest                     | (35,513)                   | (40,326)                   | -12%                     |
|                                              | <b>238,191</b>             | <b>(1,511,081)</b>         | -116%                    |

nm = not meaningful

## Unaudited Consolidated Statement of Comprehensive Income

|                                                                              | GROUP                      |                            |                          |
|------------------------------------------------------------------------------|----------------------------|----------------------------|--------------------------|
|                                                                              | Quarter Ended<br>31-Mar-16 | Quarter Ended<br>31-Mar-15 | Increase /<br>(Decrease) |
|                                                                              | S\$                        | S\$                        | %                        |
| Profit/(Loss) after tax                                                      | 238,191                    | (1,511,081)                | nm                       |
| <b><u>Other comprehensive income /(loss), net of tax:</u></b>                |                            |                            |                          |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> |                            |                            |                          |
| Exchange differences on translation of foreign operations                    | (305,683)                  | (951,419)                  | -68%                     |
| Net fair value gain on financial assets, available-for-sale                  | 117,616                    | 78,543                     | 50%                      |
| Share of other comprehensive loss of associated company                      | (306,686)                  | -                          | nm                       |
| <b>Other comprehensive loss for the period, net of tax</b>                   | <b>(494,753)</b>           | <b>(872,876)</b>           | <b>-43%</b>              |
| <b>Total comprehensive loss for the period</b>                               | <b>(256,562)</b>           | <b>(2,383,957)</b>         | <b>-89%</b>              |
| <b>Total comprehensive loss attributable to:</b>                             |                            |                            |                          |
| Owners of the Company                                                        | (221,049)                  | (2,345,898)                | -91%                     |
| Non-controlling interest                                                     | (35,513)                   | (38,059)                   | -7%                      |
|                                                                              | <b>(256,562)</b>           | <b>(2,383,957)</b>         | <b>-89%</b>              |

nm = not meaningful

## **Notes to the Statement of Comprehensive Income**

### **Loss before tax is after (charging)/crediting:-**

|                                                                           | GROUP                      |                            |
|---------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                           | Quarter Ended<br>31-Mar-16 | Quarter Ended<br>31-Mar-15 |
|                                                                           | S\$                        | S\$                        |
| Depreciation and amortisation expenses                                    | (507,134)                  | (328,539)                  |
| Fair value loss on financial assets, at fair value through profit or loss | -                          | (802,061)                  |
| Finance income                                                            | 446                        | 146                        |
| Finance costs                                                             | (60,998)                   | (576,897)                  |
| Foreign exchange gain - net                                               | 125,522                    | 263,714                    |
| Impairment loss on financial assets, available-for-sale                   | -                          | (27,582)                   |
| Impairment loss on trade and other receivables                            | -                          | (386,546)                  |
| Write back of impairment loss on trade and other receivables              | 100,000                    | -                          |
| Share of profit/(loss) of associated company                              | 791,585                    | (504,426)                  |

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

|                                                           | <b>GROUP</b>           |                           | <b>Company</b>         |                           |
|-----------------------------------------------------------|------------------------|---------------------------|------------------------|---------------------------|
|                                                           | As at<br>31 March 2016 | As at<br>31 December 2015 | As at<br>31 March 2016 | As at<br>31 December 2015 |
|                                                           | S\$                    | S\$                       | S\$                    | S\$                       |
| <b>ASSETS</b>                                             |                        |                           |                        |                           |
| <b>Current Assets</b>                                     |                        |                           |                        |                           |
| Cash and bank balances                                    | 832,206                | 729,008                   | 218,641                | 161,292                   |
| Financial assets, available-for-sale                      | 350,657                | 350,657                   | -                      | -                         |
| Trade receivables                                         | 21,287                 | 24,531                    | -                      | -                         |
| Other current assets                                      | 1,597,549              | 1,485,992                 | 643,000                | 554,216                   |
| Amount due from subsidiaries                              | -                      | -                         | 1,195,041              | 1,755,580                 |
| <b>Total Current Assets</b>                               | <b>2,801,699</b>       | <b>2,590,188</b>          | <b>2,056,682</b>       | <b>2,471,088</b>          |
| <b>Non-Current Assets</b>                                 |                        |                           |                        |                           |
| Investments in subsidiaries                               | -                      | -                         | 141,498                | 141,498                   |
| Investments in associated companies                       | 4,553,818              | 4,553,818                 | -                      | -                         |
| Financial assets, available-for-sale                      | 5,149,019              | 5,031,403                 | -                      | -                         |
| Property, plant and equipment                             | 644,658                | 701,511                   | 572,058                | 619,769                   |
| Investment properties                                     | 2,184,723              | 2,195,648                 | -                      | -                         |
| Intangible assets                                         | 2,285,323              | 2,415,185                 | -                      | -                         |
| Other non-current assets                                  | 261,946                | 261,926                   | 136,835                | 136,835                   |
| Amount due from subsidiaries                              | -                      | -                         | 9,319,077              | 9,319,077                 |
| Goodwill                                                  | 5,772,203              | 5,772,203                 | -                      | -                         |
| <b>Total Non-Current Assets</b>                           | <b>20,851,690</b>      | <b>20,931,694</b>         | <b>10,169,468</b>      | <b>10,217,179</b>         |
| <b>Total Assets</b>                                       | <b>23,653,389</b>      | <b>23,521,882</b>         | <b>12,226,150</b>      | <b>12,688,267</b>         |
| <b>Current Liabilities</b>                                |                        |                           |                        |                           |
| Trade and other payables                                  | 9,244,429              | 8,842,859                 | 2,427,370              | 2,634,241                 |
| Income tax payable                                        | 3,258                  | 1,639                     | -                      | -                         |
| Borrowings                                                | 7,048,742              | 7,064,916                 | 17,115                 | 22,698                    |
| <b>Total Current Liabilities</b>                          | <b>16,296,429</b>      | <b>15,909,414</b>         | <b>2,444,485</b>       | <b>2,656,939</b>          |
| <b>Non-Current Liabilities</b>                            |                        |                           |                        |                           |
| Financial liability, at fair value through profit or loss | 4,353,325              | 4,353,325                 | -                      | -                         |
| Borrowings                                                | 882,753                | 881,699                   | 54,790                 | 54,790                    |
| <b>Total Non-Current Liabilities</b>                      | <b>5,236,078</b>       | <b>5,235,024</b>          | <b>54,790</b>          | <b>54,790</b>             |
| <b>Total Liabilities</b>                                  | <b>21,532,507</b>      | <b>21,144,438</b>         | <b>2,499,275</b>       | <b>2,711,729</b>          |
| <b>Equity Attributable to Owners of the Company</b>       |                        |                           |                        |                           |
| Share capital                                             | 119,912,067            | 119,912,067               | 119,912,067            | 119,912,067               |
| Accumulated losses                                        | (109,902,955)          | (110,176,659)             | (110,271,111)          | (110,021,448)             |
| Foreign currency translation reserve                      | 253,281                | 865,650                   | 85,919                 | 85,919                    |
| Other reserve                                             | (10,429,690)           | (10,429,690)              | -                      | -                         |
| Fair value reserve                                        | 2,299,220              | 2,181,604                 | -                      | -                         |
| <b>Total Shareholders' Funds</b>                          | <b>2,131,923</b>       | <b>2,352,972</b>          | <b>9,726,875</b>       | <b>9,976,538</b>          |
| <b>Non-controlling Interests</b>                          | <b>(11,041)</b>        | <b>24,472</b>             | <b>-</b>               | <b>-</b>                  |
| <b>Total Equity</b>                                       | <b>2,120,882</b>       | <b>2,377,444</b>          | <b>9,726,875</b>       | <b>9,976,538</b>          |
| <b>Total Liabilities and Equity</b>                       | <b>23,653,389</b>      | <b>23,521,882</b>         | <b>12,226,150</b>      | <b>12,688,267</b>         |

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

**(A) Amount repayable in one year or less, or on demand**

| As at 31 March 2016 |           | As at 31 December 2015 |           |
|---------------------|-----------|------------------------|-----------|
| S\$                 | S\$       | S\$                    | S\$       |
| Secured             | Unsecured | Secured                | Unsecured |
| 6,948,742           | 100,000   | 7,014,916              | 50,000    |

**(B) Amount repayable after one year**

| As at 31 March 2016 |           | As at 31 December 2015 |           |
|---------------------|-----------|------------------------|-----------|
| S\$                 | S\$       | S\$                    | S\$       |
| Secured             | Unsecured | Secured                | Unsecured |
| 882,753             | Nil       | 881,699                | Nil       |

**(C) Whether the amounts are secured or unsecured**

The amounts are secured by quoted shares, investment properties, plant and equipment, personal guarantees from key management personnel and the proceeds from sales of media content.

**(D) Details of any collateral:**

- (1) A term loan is granted to a subsidiary of a wholly owned subsidiary from a bank and is secured by quoted securities.
- (2) The Company is a corporate guarantor for a term loan granted to a wholly owned subsidiary. The term loan is for the purchase of a leasehold property and is secured by the said property.
- (3) The Group's motor vehicles are purchased under Hire Purchase and are secured by the said vehicles.
- (4) The Company is a corporate guarantor to a fund managed by a former subsidiary for the fund's investee company secured redeemable notes. The Company has a back to back indemnity from the former subsidiary for the amount guaranteed by the Company and is working towards the eventual release of the corporate guarantee.
- (5) Term loans are granted to subsidiaries which are secured by personnel guarantees from key management personnel and proceeds from sales of media content.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

|                                                                           | <b>GROUP</b>     |                    |
|---------------------------------------------------------------------------|------------------|--------------------|
|                                                                           | Quarter Ended    | Quarter Ended      |
|                                                                           | 31 March 2016    | 31 March 2015      |
|                                                                           | S\$              | S\$                |
| <b>Cash flows from operating activities:</b>                              |                  |                    |
| Profit/(Loss) before tax                                                  | 240,064          | (1,508,852)        |
| Adjustments for:                                                          |                  |                    |
| Depreciation and amortisation expenses                                    | 507,134          | 328,539            |
| Fair value loss on financial assets, at fair value through profit or loss | -                | 802,061            |
| Finance costs                                                             | 60,998           | 576,897            |
| Finance income                                                            | (446)            | (146)              |
| Gain on disposal of property, plant and equipment                         | (193)            | -                  |
| Impairment loss on financial assets, available-for-sale                   | -                | 27,582             |
| Share of (profit)/loss of associated companies                            | (791,585)        | 504,426            |
| Write back of impairment loss on other receivables                        | (100,000)        | -                  |
| Unrealised foreign currency exchange loss                                 | (152,141)        | (456,369)          |
| <b>Operating cash flows before changes in working capital</b>             | <b>(236,169)</b> | <b>274,138</b>     |
| Changes in working capital:                                               |                  |                    |
| Financial assets, available-for-sale                                      | -                | (904,692)          |
| Financial assets, at fair value through profit or loss                    | -                | (27,061)           |
| Trade and other receivables and other current assets                      | 27,675           | (2,046,174)        |
| Trade and other payables                                                  | 441,421          | 2,190,504          |
| <b>Net cash generated from/(used in) operations</b>                       | <b>232,927</b>   | <b>(513,285)</b>   |
| Income tax paid                                                           | (254)            | (6,019)            |
| <b>Net cash generated from/(used in) operating activities</b>             | <b>232,673</b>   | <b>(519,304)</b>   |
| <b>Cash flows from investing activities:</b>                              |                  |                    |
| Interest received                                                         | 446              | 146                |
| Purchase of intangible assets                                             | (307,202)        | (83,504)           |
| Purchase of property, plant and equipment                                 | -                | (11,250)           |
| Proceeds from disposal of property, plant and equipment                   | 240              | -                  |
| <b>Net cash used in investing activities</b>                              | <b>(306,516)</b> | <b>(94,608)</b>    |
| <b>Cash flows from financing activities:</b>                              |                  |                    |
| Repayment to former subsidiary                                            | (67,275)         | -                  |
| Proceeds from borrowings                                                  | 300,000          | -                  |
| Repayment of borrowings                                                   | (14,864)         | (1,615,131)        |
| Repayment of finance leases                                               | (7,246)          | (7,315)            |
| Interest paid                                                             | (33,574)         | (124,938)          |
| <b>Net cash generated from/ (used in) financing activities</b>            | <b>177,041</b>   | <b>(1,747,384)</b> |
| Net increase /(decrease) in cash and cash equivalents                     | 103,198          | (2,361,296)        |
| Cash and cash equivalents at the beginning of the year                    | 729,008          | 3,125,730          |
| <b>Cash and cash equivalent at the end of the quarter</b>                 | <b>832,206</b>   | <b>764,434</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 capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

|                                               | Share<br>Capital   | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>Losses | Fair Value<br>Reserve | Other<br>Reserves   | Total            | Non-<br>Controlling<br>Interest | Total Equity     |
|-----------------------------------------------|--------------------|-----------------------------------------------|-----------------------|-----------------------|---------------------|------------------|---------------------------------|------------------|
|                                               | S\$                | S\$                                           | S\$                   | S\$                   | S\$                 | S\$              | S\$                             | S\$              |
| <b>GROUP</b>                                  |                    |                                               |                       |                       |                     |                  |                                 |                  |
| <b><u>3 months ended</u></b>                  |                    |                                               |                       |                       |                     |                  |                                 |                  |
| <b><u>31 March 2016</u></b>                   |                    |                                               |                       |                       |                     |                  |                                 |                  |
| At 1 January 2016                             | 119,912,067        | 865,650                                       | (110,176,659)         | 2,181,604             | (10,429,690)        | 2,352,972        | 24,472                          | 2,377,444        |
| Profit                                        | -                  | -                                             | 273,704               | -                     | -                   | 273,704          | (35,513)                        | 238,191          |
| Other Comprehensive<br>(loss)/income          | -                  | (612,369)                                     | -                     | 117,616               | -                   | (494,753)        | -                               | (494,753)        |
| Total comprehensive<br>(loss)/income          | -                  | (612,369)                                     | 273,704               | 117,616               | -                   | (221,049)        | (35,513)                        | (256,562)        |
| <b>Balance as at 31<br/>March 2016</b>        | <b>119,912,067</b> | <b>253,281</b>                                | <b>(109,902,955)</b>  | <b>2,299,220</b>      | <b>(10,429,690)</b> | <b>2,131,923</b> | <b>(11,041)</b>                 | <b>2,120,882</b> |
| <b>GROUP</b>                                  | <b>S\$</b>         | <b>S\$</b>                                    | <b>S\$</b>            | <b>S\$</b>            | <b>S\$</b>          | <b>S\$</b>       | <b>S\$</b>                      | <b>S\$</b>       |
| <b><u>3 months ended</u></b>                  |                    |                                               |                       |                       |                     |                  |                                 |                  |
| <b><u>31 March 2015</u></b>                   |                    |                                               |                       |                       |                     |                  |                                 |                  |
| At 1 January 2015<br>(previously<br>reported) | 119,912,067        | 383,940                                       | (101,958,477)         | (266,620)             | (10,626,467)        | 7,444,443        | 126,778                         | 7,571,221        |
| Prior year adjustments                        | -                  | -                                             | (2,911,728)           | -                     | -                   | (2,911,728)      | -                               | (2,911,728)      |
| At 1 January 2015<br>(restated)               | 119,912,067        | 383,940                                       | (104,870,205)         | (266,620)             | (10,626,467)        | 4,532,715        | 126,778                         | 4,659,493        |
| Loss                                          | -                  | -                                             | (1,470,755)           | -                     | -                   | (1,470,755)      | (40,326)                        | (1,511,081)      |
| Other Comprehensive<br>(loss)/income          | -                  | (953,686)                                     | -                     | 78,543                | -                   | (875,143)        | 2,267                           | (872,876)        |
| Total comprehensive<br>(loss)/income          | -                  | (953,686)                                     | (1,470,755)           | 78,543                | -                   | (2,345,898)      | (38,059)                        | (2,383,957)      |
| <b>Balance as at 31<br/>March 2015</b>        | <b>119,912,067</b> | <b>(569,746)</b>                              | <b>(106,340,960)</b>  | <b>(188,077)</b>      | <b>(10,626,467)</b> | <b>2,186,817</b> | <b>88,719</b>                   | <b>2,275,536</b> |

|                                            | Share<br>Capital   | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>Losses | Total             |
|--------------------------------------------|--------------------|-----------------------------------------------|-----------------------|-------------------|
|                                            | S\$                | S\$                                           | S\$                   | S\$               |
| <b>COMPANY</b>                             |                    |                                               |                       |                   |
| <b><u>3 months ended 31 March 2016</u></b> |                    |                                               |                       |                   |
| At 1 January 2016                          | 119,912,067        | 85,919                                        | (110,021,448)         | 9,976,538         |
| Loss                                       | -                  | -                                             | (249,663)             | (249,663)         |
| Total comprehensive loss                   | -                  | -                                             | (249,663)             | (249,663)         |
| <b>Balance as at 31 March 2016</b>         | <b>119,912,067</b> | <b>85,919</b>                                 | <b>(110,271,111)</b>  | <b>9,726,875</b>  |
| <b>COMPANY</b>                             | <b>S\$</b>         | <b>S\$</b>                                    | <b>S\$</b>            | <b>S\$</b>        |
| <b><u>3 months ended 31 March 2015</u></b> |                    |                                               |                       |                   |
| At 1 January 2015                          | 119,912,067        | 85,919                                        | (100,763,252)         | 19,234,734        |
| Loss                                       | -                  | -                                             | (127,378)             | (127,378)         |
| Total comprehensive loss                   | -                  | -                                             | (127,378)             | (127,378)         |
| <b>Balance as at 31 March 2015</b>         | <b>119,912,067</b> | <b>85,919</b>                                 | <b>(100,890,630)</b>  | <b>19,107,356</b> |

- 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 the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

None, not applicable

- 1(d)(iii) 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**

|                                                         | As at 31 March 2016 | As at 31 December 2015 |
|---------------------------------------------------------|---------------------|------------------------|
| Total number of issued shares                           | 1,097,505,101       | 1,097,505,101          |
| Less: Treasury Shares                                   | Nil                 | Nil                    |
| Total number of issued shares excluding treasury shares | 1,097,505,101       | 1,097,505,101          |

- 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**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The financial results of the Group for the quarter ended 31 March 2016 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).**

The financial results of the Group for the quarter ended 31 March 2016 have not been audited or reviewed.

- 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 as in the most recently audited financial statements as at 31 December 2015.

- 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 changes.**

The Group has adopted the same accounting policies and method of computations in the financial statements for the current financial period reported as in the last audited financial statements, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2016. The adoption of these new and revised FRS has no material effect for the current financial period.

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 share**

Loss per ordinary share after deducting any provision for preference dividends :-

Basic and fully diluted

Group (Singapore cents)

Weighted average number of ordinary shares for the purposes of computing basic and diluted earnings per share

Profit/(Loss) attributable to owners of the Company (\$\$)

| Group                          |                                |
|--------------------------------|--------------------------------|
| Quarter ended<br>31 March 2016 | Quarter ended<br>31 March 2015 |
| 0.02                           | (0.13)                         |
| 1,097,505,101                  | 1,097,505,101                  |
| 273,704                        | (1,470,755)                    |

7. **Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net asset value per ordinary share based on existing issued share capital at the end of the period :-

(i) Based on number of ordinary shares

Group (Singapore cents)

Company (Singapore cents)

Number of shares in issue applicable to net asset value per ordinary share

| As at 31 March 2016 | As at 31 December 2015 |
|---------------------|------------------------|
| 0.19                | 0.21                   |
| 0.89                | 0.91                   |
| 1,097,505,101       | 1,097,505,101          |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**(a) Income Statement**

**Revenue**

Revenue decreased by 52% or by S\$0.8 million from S\$1.6 million in Q1 FY2015 to S\$0.8 million in Q1 FY2016 as the Group recorded lower revenue from its media sales segment from its subsidiary Hub Media Group Pte Ltd ("Hub Media"). The sales were lower as the major clients of Hub Media in Asia are suffering a major currency devaluation loss as Hub Media's billings are mainly in United States Dollars (USD). As such, many contracts were delayed or pushed back by the customers hoping to see a recovery of their home currency against the USD.

**Profit/(Loss) before tax**

The Group recorded a profit before tax of approximately S\$0.2 million in Q1 FY2016 compared to a loss before tax of S\$1.5 million in Q1 FY2015 respectively. The profit before tax in Q1 FY2016 were mainly due to the share of profit of associated company which comprised the write back of impairment loss. See also note 8(b)(2a).

## Comprehensive loss

The Group recorded other comprehensive loss of approximately S\$0.5 million in Q1 FY2016 as compared to the other comprehensive loss of approximately S\$0.9 million in Q1 FY2015.

The comprehensive loss in Q1 FY2016 and Q1 FY2015 were mainly from the exchange differences on translation of foreign operations and share of other comprehensive loss of associated company.

## Expenses

- (1) **Cost of media sales** in Q1 FY2016 was attributed to Hub Media mainly for the purchase of media content to meet sales obligation. The media content license fee are amortized over the period of their estimated useful life of between 2 to 6 years.
- (2) **Administrative expenses** decreased by approximately of S\$0.2 million in Q1 FY2016 as compared to Q1 FY2015 due mainly to lower employee cost.
- (3) **Other income** decreased by approximately of S\$0.1 million in Q1 FY2016 as compared to Q1 FY2015 due mainly to lower foreign exchange gain.
- (4) **Other expenses** decreased by approximately of S\$0.8 million in Q1 FY2016 as compared to Q1 FY2015 as the other expenses in Q1 FY2015 included fair value loss on financial asset, at fair value through profit or loss which consisted mainly of quoted securities listed in Singapore which were disposed off in FY2015.
- (5) **Finance income** comprised of interest income from bank deposits.
- (6) **Finance cost** decreased by S\$0.5 million in Q1 FY2016 as compared to Q1 FY2015. The decrease was due mainly to the decrease in the interest expenses on other payables which comprise of advances from former subsidiary which were interest free beginning from 1 March 2015.

|                                                   | Q1 FY2016 | Q1 FY2015 | Variance |
|---------------------------------------------------|-----------|-----------|----------|
|                                                   | S\$'000   | S\$'000   | S\$'000  |
| Interest expenses on borrowings                   | 34        | 15        | 19       |
| Interest expenses on advances from other payables | 27        | 562       | (535)    |
| Total                                             | 61        | 577       | (516)    |

- (7) The Group recorded share of profit from associated company in Q1 FY2016 compared to share of loss from associated company in Q1 FY2015.

## **(b) Consolidated Balance Sheet and Cash Flow:**

The **net current liabilities** of the Group was approximately S\$13.5 million as at 31 March 2016 as compared to net current liabilities of S\$13.3 million as at 31 December 2015.

The subscription agreement was signed on 2 October 2015 for the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018.

The increase of approximately S\$0.2 million in net current liabilities was primarily due to:

- 1a. **Cash and Cash Equivalent** increased by approximately S\$0.1 million. This was due to the Group generate S\$0.2 million in its operating activities, net cash used in investing activities of S\$0.3 million and net cash generated from financing activities of S\$0.2 million.

The cash used in investing activities of S\$0.3 million was due mainly to the purchase of intangible assets in the current quarter, see note 8(b)(2e) below.

The cash generated from financing activities of S\$0.2 million was due mainly due to the proceeds from borrowings. The increase were offset by the repayment of borrowings and related interests to former subsidiary and banks.

- 1b. **Financial Assets, available for sale** comprised quoted security listed in Singapore.
- 1c. The decrease in **trade receivables** were mainly due to the collection from subsidiary Hub Media.
- 1d. The increase in **other current assets** by S\$0.1 million due mainly to the deposit paid for school renovation works.

1e. **Trade and other payables** increased by approximately S\$0.4 million. This was due mainly to the increase of deferred management income.

1f. **Borrowings** refer to the current portion of the bank term loans, hire purchase creditors and third party loans.

The net non-current assets of the Group was approximately S\$15.6 million as at 31 March 2016 as compared with \$15.7 million as at 31 December 2015. The decrease of approximately S\$0.1 million was mainly due to:

2a. **Investments in associated companies** comprised of the share in losses and write back of impairment loss. The write back is due to the assessment of the recoverable amount of the investment based on fair value less costs of disposal which is the market price of the quoted equity shares.

2b. **Financial assets, available for sale** increased by approximately S\$0.1 million mainly due to the fair value gain recognized in other comprehensive income in Q1 FY2016.

2c. The decrease in **Property, plant and equipment** was due to the depreciation charged for the quarter.

2d. The decrease in **Investment properties** was due to the depreciation charged for the quarter.

2e. The decrease in **Intangible assets** was due to the amortisation charged for the quarter for Content license fees. See also note 8(a)(1).

2f. **Other non-current assets** refer to the long term portion of the deposit paid for rental.

2g. **Borrowings** refer to the long term portion of the bank term loans for property, hire purchase creditors and a third party loan.

2h. **Financial liability, at fair value through profit or loss** refer to the long term portion of the economic right on quoted securities payable to former subsidiary.

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

No forecast or prospect statement was made previously.

**10. A commentary at the date of the announcement of the 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 year and the next 12 months**

Consumer Business

The Group continues to face challenges such as currency fluctuations, soft consumer demand, and competitive environment especially in the media sales division. We remain mindful and will take appropriate action to mitigate the impact on the Group's business.

Our foray in the preschool industry is expected to take place in the beginning of the second half of the year. Currently, the construction is underway and the progress is on track.

Convertible note

As announced previously, the Group has announced that it has entered into a supplemental agreement for the convertible notes. Further updates will be provided on the bond issue and the streamline exercise.

**11. Dividend**

**(a) Current Financial Year Reported On 31 March 2016**

Any dividend declared for the current financial year reported on?

Not applicable.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No dividend has been declared for the corresponding year of the immediately preceding financial year ended 31 December 2015.

(c) **Date payable**

Not Applicable.

(d) **Books closure date**

Not applicable.

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

No dividend has been recommended or declared by the Company for the financial period under review.

**13. Summary of Interested Person Transactions**

**Summary of Interested Person Transactions for the financial period ended 31 March 2016**

There is no general mandate on Interested Person Transactions.

The aggregate value of interested person transactions for the period ended 31 March 2016 is as follows:

| Group                                                |                                                                                                                                                                                                                       |                             |                                                                                                                                                                          |                             |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Name of interested person and nature of transactions | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920) |                             | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 excluding (excluding transactions less than S\$100,000) |                             |
|                                                      | Quarter ended 31 March 2016                                                                                                                                                                                           | Quarter ended 31 March 2015 | Quarter ended 31 March 2016                                                                                                                                              | Quarter ended 31 March 2015 |
| Datuk Jared Lim Chih Li                              | N.A.                                                                                                                                                                                                                  | N.A.                        | N.A.                                                                                                                                                                     | N.A.                        |
| Mr. Ng Teck Wah                                      | N.A.                                                                                                                                                                                                                  | N.A.                        | N.A.                                                                                                                                                                     | N.A.                        |

**Material Contracts**

Save as disclosed above, there were no other material contracts of the Company and its subsidiaries involving the interests of the Managing Director, any director or controlling shareholders for the financial period ended 31 March 2016.

**14. Confirmation pursuant to the Rule 705(5) of the listing manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim results of the Group for the 3 months ended 31 March 2016 to be false and misleading in any material aspect.

**BY ORDER OF THE BOARD**

Datuk Jared Lim Chih Li  
Managing Director  
13 May 2016

Attlee Hue Kuan Yew  
Independent Director  
13 May 2016