

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

(Registration No. 34713)
(Incorporated in Bermuda)

1(a) (i) An 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 PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For the second quarter ended 30 June 2019

	<u>2019Q2</u>	<u>2018Q2</u>	<u>+ / (-) %</u>	<u>2019H1</u>	<u>2018H1</u>	<u>+ / (-) %</u>
	SGD'000	SGD'000		SGD'000	SGD'000	
Revenue	-	145	n/m	-	0	n/m
Cost of sales	-	-	n/m	-	-	n/m
Gross profit	0	145	n/m	-	155	n/m
Other revenue	-	150	n/m	-	179	n/m
Selling expenses	-	(8)	n/m	-	(23)	n/m
Administrative expenses	(8)	(674)	99	(38)	(1,331)	97
Finance costs	-	(7)	n/m	-	(7)	n/m
Loss before income tax	(8)	(395)	98	(38)	(1,026)	96
Income tax expense	-	-	-	-	-	-
Loss after Income Tax	(8)	(395)	98	(38)	(1,026)	96
Loss attributable to:						
Owner of the Company	-	(308)	n/m	-	(725)	n/m
Non-Controlling Interest	-	(87)	n/m	-	(301)	n/m
	-	(395)	n/m	-	(1,026)	n/m
Net profit / (loss) attributable to shareholders	(8)	(395)	n/m	(38)	(1,026)	n/m

n/m: not meaningful.

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.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	<u>Company</u>		
	<u>As at</u> <u>30/6/2019</u> SGD'000	<u>As at</u> <u>30/6/2018</u> SGD'000	<u>+/(-) %</u>
<u>ASSETS</u>			
Current assets:			
Cash and bank balances	0	253	n/m
Trade receivables	-	-	n/m
Amount due from shareholder	-	286	n/m
Loan	1320	850	55
Amount due from Director	-	-	n/m
Work in Progress	-	-	n/m
Other receivables and prepayments	24	24	-
Fixed deposit	-	-	n/m
Amount due from subsidiary	-	-	n/m
GST input tax	-	-	n/m
Total current assets	1,344	1,413	(5)
Non-current assets:			
Investment in subsidiaries	2150	-	n/m
Fixed Deposit	-	-	n/m
Property, plant and equipment	-	128	n/m
Total non-current assets	2150	128	1580
Total assets	3,494	1,541	127

**LIABILITIES
AND EQUITY**

Trade payables	-	-	n/m
Amount due to shareholder	-	-	n/m
Amount due to director	-	-	n/m
Promissory Notes	2,150	2,150	-
Other payables and accrued expenses	2,649	539	391
Amount due to Subsidiary	-	40	n/m
GST payable	-	-	n/m
Total current liabilities	4,799	2,729	76

Equity

Capital and reserves attributable to equity holders of the Company

Share capital	1,177	1,177	-
Treasury shares	(27)	(27)	-
Capital Reserve	1,477	1,477	n/m
Accumulated losses	(3,932)	(3,815)	(3)

Non-controlling interests	-	-	n/m
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Total equity	(1,305)	(1,188)	(10)
Total liabilities and equity	3,494	1,541	127

1(b)(ii) In relation to the aggregate amount of the 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:

(a) The amount repayable in one year or less, or on demand

As at 30 June 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
0	0	0	0

(b) The amount repayable after one year;

As at 30 June 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
0	0	0	0

(c) Details of any collateral

Not applicable.

1(c) A statement of cash flows (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 first quarter ended 30 June 2019

	<u>2019H1</u> SGD'000	Company <u>2018H1</u> SGD'000
Cash flows from operating activities:		
Loss before income tax	(38)	(1,026)
<i>Adjustments for:</i>		
Depreciation and amortisation expense		75
Allowance for doubtful trade receivables	-	-
Finance costs		-
Operating loss before working capital changes	(38)	(951)
Amount due from related parties	-	
Changes in WIP and inventories		(172)
Changes in trade and other receivables and prepayments		(878)
Changes increase in other payable and accrued expenses	308	
Net cash from (used in) /generating from operating activities	270	(2,072)

	<u>2019H1</u> SGD'000	Company <u>2018H1</u> SGD'000
Cash flows used in investing activities:		
Proceeds from disposal of financial assets at fair value		-
thought profit and loss		
Purchase of property, plant and equipment		(2)

Net cash used in investing activities		(2)
	-	-
Cash flows from (used in) financing activities:		
Advances from a related party		-
Proceeds from issuance of placement shares	(292)	1,477
Net cash generating from financing activities	(292)	1,473
Net (decrease)/increase in cash and cash equivalents	(22)	(597)
Cash and cash equivalents at beginning of period	14	1,169
Cash and cash equivalents at end of period	(8)	572

1(d)(i) A statement (for the issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Attributable to equity holders of the Company</u>					
	Share capital	Treasury shares	Other reserve	Accumulated losses	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>Company</u>						
Balance as at 1 Apr 2019	1,177	(27)	1447	(3,924)	0	(1,297)
Increase in Capital Reserve	-	-	-		-	-
Increase in non-controlling interest	-	-	-			
Loss for the period	-	-	-	(80)	-	(80)
Balance as at 30 Jun 2019	1,177	(27)	1,447	(4,024)	0	(1,377)

	Share Capital	Treasury Shares	Share based payment reserve	Capital Reserve	Accumulated Losses	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 April 2018	1,177	(27)	-	-	(3,598)	(2,447)
Increase in Capital Reserve	-	-	-	1,477	-	1,477
Total comprehensive loss for the period	-	-	-	-	(217)	(217)
Balance as at 30 June 2018	1,177	(27)	318	1,477	(3,815)	(1,188)

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 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.

There were no changes in the company's share capital during the second quarter ended 30 Jun 2019.

As at 30 June 2019, there were no shares that may be issued on conversion of any outstanding convertibles or share option (30 June 2018: 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 total number of issued shares excluding treasury shares as at second quarter 2019 is 112,477,249 shares . (30 June 2018: 112,477,249 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.

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

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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.**

ACCOUNTING POLICIES

Except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) effective on 1 January 2018, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 30 June 2019.

CHANGES IN ACCOUNTING POLICIES

The Group has adopted the new financial reporting framework, SFRS(I), mandatory for Singapore-incorporated companies with equity instruments traded in a public market in Singapore for annual periods beginning on or after 1 January 2018. In adopting SFRS(I), the Group has applied the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*.

In addition to the adoption of the new framework, the Group also concurrently applied the following new SFRS(I)s, amendments to and interpretations of SFRS(I) effective from the same date:

- SFRS(I) 15 *Revenue from Contracts with Customers* (Amendments to SFRS(I) 15 and Clarifications to SFRS(I) 15);
- SFRS(I) 9 *Financial Instruments*;
- *Classification and Measurement of Share-based Payment Transactions* (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to SFRS(I) 1-28);
- Applying SFRS(I) 9 *Financial Instruments* with SFRS(I) 4 *Insurance Contracts* (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of these SFRS(I)s, amendments to and interpretations of SFRS(I) did not have a material impact on the financial statements of the Group.

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. **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.**

COMPANY

2019Q2

2018Q2

Continuing operations

Basic EPS (SGD cents)	(0.00)	(0.27)
Diluted EPS (SGD cents)	(0.00)	(0.27)

The calculation of basic earnings per ordinary share for 2019Q2 and 2018Q2 were based on 112,477,249 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.

Company

30/06/2019 30/06/2018

Net asset value per ordinary share (SGD cents)	(1.16)	(1.06)
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* based on the existing number of shares in issue of 112,477,249 ordinary shares in Q2 2019 (2018Q2: 112,477,249 ordinary shares).

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

The company's administrative expense has decreased from SGD 674 thousand in 2018 Q2 to SGD 8 thousand this quarter. The change is mainly due to the holding company reducing business activities.

Statement of Financial Position

Total assets amounted to SGD 3.494 million as at the second quarter 2019, which comprised of SGD1.344 million of current assets and SGD 2.15 million of non-current assets.

Total liabilities amounted to SGD4.799 million as at the second quarter 2019, which were all represented by current liabilities.

Consolidated Statement of Cash Flows

Cash and cash equivalents as at the second quarter 2019 is approximately SGD (8) thousand, a decrease of SGD580 thousand as compared to 572 thousand as at the 30 June 2018.

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 Company in the next reporting period and the next 12 months.

None

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.

Dividend

(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

(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

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended during 2019Q2.

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

The Company has not obtained a general mandate from shareholders for IPTs.

14. Negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual

The Board has confirmed that to the best of its 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 second quarter ended 30 Jun 2019 to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers 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. As at the date of this announcement, the Group has no executive officers (excluding directors).

FOR AND ON BEHALF OF THE BOARD

WU BIN
Executive Director

31 July 2019