

Unaudited Financial Statement and Dividend Announcement – Third Quarter and Nine Months ended 30 September 2018

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			Group		
	Quarter Ended 30-Sep-18	Quarter Ended 30-Sep-17	Increase/ (Decrease)	9 Months Ended 30-Sep-18	9 Months Ended 30-Sep-17	Increase/ (Decrease)
	S\$	S\$	%	S\$	S\$	%
Revenue	437,472	496,298	-12%	1,477,946	1,495,599	-1%
Cost of sales	(34,986)	(40,556)	-14%	(100,372)	(177,514)	-43%
Administrative expenses	(594,538)	(717,583)	-17%	(1,802,864)	(2,998,687)	-40%
Other income - net	354,162	386,466	-8%	728,318	882,359	-17%
Other expenses - net	(627)	(2,788,471)	-100%	(3,757)	(2,814,878)	-100%
Profit / (Loss) from operations	161,483	(2,663,846)	nm	299,271	(3,613,121)	nm
Finance income	251	21	1095%	279	315	-11%
Finance costs	(87,692)	(77,837)	13%	(150,306)	(161,223)	-7%
Share of loss of associated company	-	(378,038)	nm	-	(485,552)	nm
Profit / (Loss) before tax	74,042	(3,119,700)	nm	149,244	(4,259,581)	nm
Income tax expense	-	-	nm	14,678	(13,760)	nm
Profit / (Loss) after tax	74,042	(3,119,700)	nm	163,922	(4,273,341)	nm
Profit / (Loss) attributable to:						
Owners of the Company	124,887	(3,045,727)	nm	290,094	(4,056,380)	nm
Non-controlling interest	(50,845)	(73,973)	-31%	(126,172)	(216,961)	-42%
	74,042	(3,119,700)	nm	163,922	(4,273,341)	nm

nm = not meaningful

Unaudited Consolidated Statement of Comprehensive Loss

	Group			Group		
	Quarter Ended 30-Sep-18	Quarter Ended 30-Sep-17	Increase / (Decrease)	9 Months Ended 30-Sep-18	9 Months Ended 30-Sep-17	Increase / (Decrease)
	S\$	S\$	%	S\$	S\$	%
Profit / (Loss) after tax	74,042	(3,119,700)	nm	163,922	(4,273,341)	nm
Other comprehensive (loss)/income, net of tax:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	72,737	4,716	1442%	(4,034)	201,146	nm
Fair value reserve on financial assets, available-for-sale- reclassification adjustment relating to disposal of subsidiaries	-	-	nm	-	(924,508)	nm
Net fair value (loss)/gain on financial assets, available for sale	-	1	nm	-	-	nm
Share of other comprehensive loss of associated company:						
Exchange differences on translation of foreign operations	-	(126,782)	nm	-	(430,068)	nm
Other comprehensive loss) / income for the period, net of tax	72,737	(122,065)	nm	(4,034)	(1,153,430)	-100%
Total comprehensive (loss)/income for the period	146,779	(3,241,765)	nm	159,888	(5,426,771)	nm
Total comprehensive (loss)/income attributable to:						
Owners of the Company	197,624	(3,167,792)	nm	286,060	(5,209,810)	nm
Non-controlling interest	(50,845)	(73,973)	-31%	(126,172)	(216,961)	-42%
	146,779	(3,241,765)	nm	159,888	(5,426,771)	nm

nm = not meaningful

Notes to the Statement of Comprehensive Income (Loss)/Profit before tax is after crediting/(charging):-

	Group		Group	
	Quarter Ended 30-Sep-18	Quarter Ended 30-Sep-17	9 Months Ended 30-Sep-18	9 Months Ended 30-Sep-17
	S\$	S\$	S\$	S\$
Depreciation and amortisation expenses	(89,861)	(124,408)	(274,648)	(342,172)
Fair value gain on financial liability, at fair value through profit or loss	-	208,419	83,368	333,471
Finance income	251	21	279	315
Finance costs	(87,692)	(77,837)	(150,306)	(161,223)
Foreign exchange (loss)/gain - net	(64,627)	106,135	88,453	466,369
Loss on disposal of financial assets, available-for-sale	-	(2,813,495)	-	(2,813,495)
Impairment gain on financial assets, available-for-sale	-	26,407	-	-
Property, plant and equipment written off	-	(124)	(3,130)	(124)
Share of loss of associated company	-	(378,038)	-	(485,552)
Write back of impairment loss on trade and other receivables	1,560	-	1,560	-

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.

	Group		Company	
	As at	As at	As at	As at
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	S\$	S\$	S\$	S\$
ASSETS				
Current Assets				
Cash and bank balances	132,112	318,499	16,190	213,591
Other current assets	5,985,900	5,465,999	5,505,952	5,065,005
Amount due from subsidiaries	-	-	673,034	-
	<u>6,118,012</u>	<u>5,784,498</u>	<u>6,195,176</u>	<u>5,278,596</u>
Investment properties held for sale	2,050,000	2,050,001	-	-
Total Current Assets	8,168,012	7,834,499	6,195,176	5,278,596
Non-Current Assets				
Investments in subsidiaries	-	-	5	5
Financial assets, available-for-sale	2	2	-	-
Property, plant and equipment	129,210	330,699	40,774	98,340
Intangible assets	275,000	350,000	-	-
Other non-current assets	119,015	119,013	-	-
Total Non-Current Assets	523,227	799,714	40,779	98,345
Total Assets	8,691,239	8,634,213	6,235,955	5,376,941
Current Liabilities				
Trade and other payables	11,782,650	11,470,879	6,313,167	5,544,082
Financial guarantee contracts	7,723,678	8,074,093	7,723,678	8,074,093
Put Options liabilities	24,500,000	24,500,000	24,500,000	24,500,000
Borrowings	1,546,127	1,482,414	258,293	39,740
	<u>45,552,455</u>	<u>45,527,386</u>	<u>38,795,138</u>	<u>38,157,915</u>
Liabilities directly associated with investment properties held for sale	699,416	744,008	-	-
Total Current Liabilities	46,251,871	46,271,394	38,795,138	38,157,915
Non-Current Liabilities				
Financial liability, at fair value through profit or loss	2,459,353	2,542,721	-	-
Provision for reinstatement cost	96,720	96,720	-	-
Borrowings	14,363	14,334	6,353	6,353
Total Non-Current Liabilities	2,570,436	2,653,775	6,353	6,353
Total Liabilities	48,822,307	48,925,169	38,801,491	38,164,268
Equity Attributable to Owners of the Company				
Share capital	120,312,067	120,312,067	120,312,067	120,312,067
Accumulated losses	(150,591,096)	(150,881,190)	(154,097,522)	(154,319,313)
Foreign currency translation reserve	563,387	567,421	85,919	85,919
Other reserve	(10,429,690)	(10,429,690)	-	-
Equity component of convertible notes	1,134,000	1,134,000	1,134,000	1,134,000
Total Shareholders' Funds	(39,011,332)	(39,297,392)	(32,565,536)	(32,787,327)
Non-controlling Interests	(1,119,736)	(993,564)	-	-
Total Equity	(40,131,068)	(40,290,956)	(32,565,536)	(32,787,327)
Total Liabilities and Equity	8,691,239	8,634,213	6,235,955	5,376,941

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 30 September 2018		As at 31 December 2017	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
1,546,127	-	1,482,414	-

(B) Amount repayable after one year

As at 30 September 2018		As at 31 December 2017	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
14,363	-	14,334	-

(C) Whether the amounts are secured or unsecured

The amounts are secured by investment properties, plant and equipment, personal guarantee from key management personnel, the proceeds from sales of media content and debenture on assets.

(D) Details of any collateral:

- (1) 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.
- (2) The Group's motor vehicles are purchased under Hire Purchase and are secured by the said vehicles.
- (3) 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. The company has made a provision for the corporate guarantee expenses amounting to US\$6,040,770 in Year 2016. The group has entered into a deed of settlement with Philip Asia on 18 May 2018 and shall make an aggregate payment of S\$2 million ("Total Settlement Amount") to Phillip Asia. To date the Company have settled a sum of SGD200,000 based on the repayment schedule in the deed.
- (4) Term loans are granted to subsidiaries which are secured by personnel guarantees from key management personals and proceeds from sales of media content and debenture on assets.

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

	Group		Group	
	Quarter Ended 30 September 2018	Quarter Ended 30 September 2017	9 months Ended 30 September 2018	9 months Ended 30 September 2017
	S\$	S\$	S\$	S\$
Cash flows from operating activities:				
Profit/(Loss) before tax	74,042	(3,119,700)	149,244	(4,259,581)
Adjustments for:				
Depreciation and amortisation expenses	89,861	124,408	274,648	342,172
Fair value (gain) on financial liability, at fair value through	-	(208,419)	(83,368)	(333,471)
Finance costs	87,692	77,837	150,306	161,223
Finance income	(251)	(21)	(279)	(315)
Loss on disposal of financial assets, available for sale	-	2,813,495	-	2,813,495
Gain on disposal of property, plant and equipment	-	-	-	(125)
Loss on disposal of financial assets, at fair value through	-	924,508	-	924,508
Impairment gain on financial assets, available-for-sale	-	(26,407)	-	-
Property, plant and equipment written off	-	124	3,130	124
Share of loss of associated company	-	378,038	-	485,552
Write back of impairment loss on other receivables	(1,560)	-	(1,560)	-
Unrealised foreign currency loss/(gain)	21,074	2,249	(92,487)	62,130
Operating cash flows before changes in working capital	270,858	966,112	399,634	195,712
Changes in working capital:				
Financial assets, available-for-sale	-	(920,305)	-	(920,305)
Trade and other receivables and other current assets	(274,574)	1,558,478	(518,343)	968,991
Trade and other payables	(235,139)	(976,058)	(470,899)	(1,029,440)
Net cash (used in)/from operations	(238,855)	628,227	(589,608)	(785,042)
Income tax paid	-	-	14,678	(13,760)
Net cash (used in)/from operating activities	(238,855)	628,227	(574,930)	(798,802)
Cash flows from investing activities:				
Interest received	251	21	279	315
Purchase of intangible assets	-	(675,800)	-	(675,800)
Purchase of property, plant and equipment	26	-	(1,091)	-
Proceeds from disposal of property, plant and equipment	-	219	-	344
Net cash from/(used in) investing activities	277	(675,560)	(812)	(675,141)
Cash flows from financing activities:				
Proceeds from borrowings	147,909	-	337,909	-
Proceeds from issuance of convertible notes	-	-	-	750,000
Repayment of borrowings	(240,407)	(29,864)	(294,592)	(254,592)
Repayment of finance leases	15,547	(7,754)	(24,224)	(23,072)
Advances from/(Repayment to) former subsidiaries and related	360,512	114,916	370,262	747,495
Net cash generated from financing activities	283,561	77,298	389,355	1,219,831
Net increase/(decrease) in cash and cash equivalents	44,983	29,965	(186,387)	(254,112)
Cash and cash equivalents at the beginning of the year	87,129	233,147	318,499	517,224
Cash and cash equivalent at the end of the quarter	132,112	263,112	132,112	263,112

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 Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Equity Component of Convertible Notes	Other Reserves	Total	Non-Controlling Interest	Total Equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Group									
3 months ended 30 September 2018									
At 1 July 2018	120,312,067	490,650	(150,715,983)	-	(10,429,690)	1,134,000	(39,208,956)	(1,068,891)	(40,277,847)
Conversion of shares from convertible notes	-	-	-	-	-	-	-	-	-
Profit	-	-	124,887	-	-	-	124,887	(50,845)	74,042
Other Comprehensive income	-	72,737	-	-	-	-	72,737	-	72,737
Total comprehensive income	-	72,737	124,887	-	-	-	197,624	(50,845)	146,779
Balance as at 30 September 2018	120,312,067	563,387	(150,591,096)	-	(10,429,690)	1,134,000	(39,011,332)	(1,119,736)	(40,131,068)
GROUP									
3 months ended 30 September 2017									
At 1 July 2017	120,312,067	743,085	(147,434,381)	-	-	(10,429,690)	(36,808,919)	(417,758)	(37,226,677)
Conversion of shares from convertible notes	-	-	-	-	-	-	-	-	-
Loss	-	-	(3,045,727)	-	-	-	(3,045,727)	(73,973)	(3,119,700)
Other Comprehensive loss	-	(122,065)	-	-	-	-	(122,065)	-	(122,065)
Total comprehensive loss	-	(122,065)	(3,045,727)	-	-	-	(3,167,792)	(73,973)	(3,241,765)
Balance as at 30 September 2017	120,312,067	621,020	(150,480,108)	-	-	(10,429,690)	(39,976,711)	(491,731)	(40,468,442)

	Share Capital	Foreign Currency Translation Reserve	Equity Component of Convertible Notes	Accumulated Losses	Total
	S\$	S\$	S\$	S\$	S\$
COMPANY					
3 months ended 30 September 2018					
At 1 July 2018	120,312,067	85,919	1,134,000	(154,328,567)	(32,796,581)
Conversion of shares from convertible notes	-	-	-	-	-
Profit	-	-	-	231,045	231,045
Total comprehensive income	-	-	-	231,045	231,045
Balance as at 30 September 2018	120,312,067	85,919	1,134,000	(154,097,522)	(32,565,536)
COMPANY					
3 months ended 30 September 2017					
At 1 July 2017	120,312,067	85,919	-	(150,240,335)	(29,842,349)
Conversion of shares from convertible notes	-	-	-	-	-
Loss	-	-	-	(98,157)	(98,157)
Total comprehensive loss	-	-	-	(98,157)	(98,157)
Balance as at 30 September 2017	120,312,067	85,919	-	(150,338,492)	(29,940,506)

ATTILAN Group Limited

Incorporated in the Republic of Singapore
Company Registration Number: 199906459N

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Equity Component of Convertible Notes	Other Reserves	Total	Non-Controlling Interest	Total Equity
Group	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
9 months ended 30 September 2018									
At 1 January 2018	120,312,067	567,421	(150,881,190)	-	(10,429,690)	1,134,000	(39,297,392)	(993,564)	(40,290,956)
Conversion of shares from convertible notes	-	-	-	-	-	-	-	-	-
Profit for the Year	-	-	290,094	-	-	-	290,094	(126,172)	163,922
Other comprehensive loss	-	(4,034)	-	-	-	-	(4,034)	-	(4,034)
Total comprehensive (loss)/income	-	(4,034)	290,094	-	-	-	286,060	(126,172)	159,888
Balance as at 30 September 2018	120,312,067	563,387	(150,591,096)	-	(10,429,690)	1,134,000	(39,011,332)	(1,119,736)	(40,131,068)
9 months ended 30 September 2017									
At 1 January 2017	119,912,067	849,942	(146,423,728)	924,508	(10,429,690)	-	(35,166,901)	(274,770)	(35,441,671)
Conversion of shares from convertible notes	400,000	-	-	-	-	-	400,000	-	400,000
Loss for the Year	-	-	(4,056,380)	-	-	-	(4,056,380)	(216,961)	(4,273,341)
Other comprehensive loss	-	(228,922)	-	(924,508)	-	-	(1,153,430)	-	(1,153,430)
Total comprehensive loss	-	(228,922)	(4,056,380)	(924,508)	-	-	(5,209,810)	(216,961)	(5,426,771)
Balance as at 30 September 2017	120,312,067	621,020	(150,480,108)	-	(10,429,690)	-	(39,976,711)	(491,731)	(40,468,442)

	Share Capital	Foreign Currency Translation Reserve	Equity Component of Convertible Notes	Accumulated Losses	Total
Company	S\$	S\$	S\$	S\$	S\$
9 months ended 30 September 2018					
At 1 January 2018	120,312,067	85,919	1,134,000	(154,319,313)	(32,787,327)
Conversion of shares from convertible notes	-	-	-	-	-
Profit for the Year	-	-	-	221,791	221,791
Total comprehensive income	-	-	-	221,791	221,791
Balance as at 30 September 2018	120,312,067	85,919	1,134,000	(154,097,522)	(32,565,536)
9 months ended 30 September 2017					
At 1 January 2017	119,912,067	85,919	-	(150,028,032)	(30,030,046)
Conversion of shares from convertible notes	400,000	-	-	-	400,000
Loss for the Year	-	-	-	(310,460)	(310,460)
Total comprehensive loss	-	-	-	(310,460)	(310,460)
Balance as at 30 September 2017	120,312,067	85,919	-	(150,338,492)	(29,940,506)

- 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.

The changes in the Company's paid-up capital were as follows:

Issued and fully paid (ordinary shares ("Shares"))	No. of Shares	Share Capital (S\$)
As at 1 July 2018	1,238,708,804	120,212,067
NIL	Nil	Nil
As at 30 September 2018	1,238,708,804	120,212,067

The number of Shares that may be issued on conversion of the outstanding convertibles as at 30 September 2018 is as follows:

As at 30 September 2018	No. of Shares that may be issued	Share Capital (S\$)
There outstanding convertibles that have been issued as at 30 September 2018 amounts to S\$0.85 million. The convertibles arising from the remaining convertible notes that have yet to be drawn down is S\$48.75 million. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible notes at the conversion price of S\$0.0016. There are no treasury shares as at the end of the current financial period and as at end of the immediately preceding financial year.	31,000,000,000	49,600,000

- 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 30 September 2018	As at 31 December 2017
Total number of issued shares	1,238,708,804	1,238,708,804
Less: Treasury Shares	Nil	Nil
Total number of issued shares excluding treasury shares	1,238,708,804	1,238,708,804

- 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 30 September 2018 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 30 September 2018 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 2017.

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 2018. 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

	Group		Group	
	Quarter Ended 30 September 2018	Quarter Ended 30 September 2017	9 Months Ended 30 September 2018	9 Months Ended 30 September 2017
Loss per ordinary share for the year after deducting any provision for preference dividend:-				
Basic and fully diluted				
Group (Singapore cents)	0.01	(0.25)	0.02	(0.34)
Weighted average number of ordinary shares for the purposes of computing basic and diluted earnings per share	1,238,708,804	1,209,854,171	1,238,708,804	1,209,854,171
Profit/(Loss) attributable to owners of the Company (\$\$)	124,887	(3,045,727)	290,094	(4,056,380)

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.**

	As at 30 September 2018	As at 31 December 2017
Net asset value per ordinary share based on existing issued share capital at the end of the period :-		
(l) Based on number of ordinary shares		
Group (Singapore cents)	(3.15)	(3.17)
Company (Singapore cents)	(2.63)	(2.65)
Number of shares in issue applicable to net asset value per ordinary share	1,238,708,804	1,238,708,804

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

For Q3 FY2018, revenue decreased by 12% or by S\$0.06 million from S\$0.50 million in Q3 FY2017 to S\$0.44 million in Q3 FY2018 due to lower revenue recorded in preschool and fund management units.

For 9M FY2018, revenue decreased slightly by 1% or by S\$0.01 million from S\$1.49 million in 9M FY2017 to S\$1.48 million in 9M FY2018.

Profit/(Loss) before tax

The group registered profit before tax of S\$0.07 million for Q3 FY2018 as compared to loss before tax of S\$3.12 million for Q3 FY2017 and profit before tax of S\$0.15 million for 9M FY2018 as compared to loss before tax of S\$4.26 million for 9M FY2017. The profit before tax for Q3 FY2018 and 9M FY2018 were mainly due to the lower administrative expenses as a result of lower employee cost while the loss before tax for Q3 FY2017 and 9M FY2017 were mainly due to the loss for divestment of financial assets.

Comprehensive (loss) / income

The Group recorded comprehensive income of approximately S\$0.15 million for Q3 FY2018 and comprehensive loss of S\$3.24 million for Q3 FY2017 respectively.

The Group recorded comprehensive income of approximately S\$0.16 million for 9M FY2018 and comprehensive loss of S\$5.43 million for 9M FY2017 respectively. The comprehensive income for 9M FY2018 was mainly due to the exchange differences on translation of foreign operations while the loss before tax in 9M FY2017 was mainly to the loss for divestment of financial assets for 9M FY2017.

Expenses

- (1) **Cost of sales** in Q3 FY2018 was due mainly to the amortization of the license fee for the pre-school unit.
- (2) **Administrative expenses** decreased by approximately of S\$0.12 million in Q3 FY2018 as compared to Q3 FY2017 mainly due to the lower employee costs recorded.
- (3) **Other income** decreased by approximately of S\$0.03 million in Q3 FY2018 as compared to Q3 FY2017 due to the lower foreign exchange gain recorded.
- (4) **Other expenses** decreased by approximately of S\$2.79 million in Q3 FY2018 as compared to Q3 FY2017 mainly due to the loss on disposal of financial asset recorded in Q3 FY2017.
- (5) **Finance income** comprised of interest income from bank deposits.
- (6) **Finance cost** increased slightly by S\$0.01 million or 13% in Q3 FY2018 as compared to Q3 FY2017 mainly due to the final interest expense for a loan in a subsidiary.

	Q3 FY2018	Q3 FY2017	Variance
	S\$'000	S\$'000	S\$'000
Interest expenses on borrowings	8	8	0
Interest expenses on advances from other payables	80	70	8
Total	88	78	8

- (7) The Group lower share of loss of associated company for FY2018 is a result of full provision made on the associated company in FY2017.

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

The **net current liabilities** of the Group was approximately S\$38.1 million as at 30 September 2018 as compared to net current liabilities of S\$38.4 million as at 31 December 2017.

The subscription agreement was signed on 2 October 2015 for the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018. We have drawdown a total of S\$1.25 million for working capital of the group. The remaining convertible notes of S\$48.75 million has yet to be drawn down.

The decrease of approximately S\$0.3 million in net current liabilities was primarily due to:

- 1a. **Cash and Cash Equivalent** decreased by approximately S\$0.2 million. This was due to the Group having used S\$0.6 million in its operating activities and net cash generated from financing activities of S\$0.4 million.

The cash generated from financing activities of S\$0.4 million was due mainly due to the proceeds from borrowings and advance from former subsidiary. The increase was partially offset by the repayment of borrowings and banks.

- 1b. The **other current assets** comprised of prepayments and deposit paid.

- 1c. **Trade and other payables** increased by approximately S\$0.3 million mainly due to the advance made by Tremendous Management Inc former subsidiary to the Group for working capital purposes during the period.

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

The net non-current liabilities of the Group was approximately S\$2.0 million as at September 2018 as compared with \$1.9 million as at 31 December 2017. The decrease of S\$0.1 million was mainly due to:

- 2a. The decrease in **Property, plant and equipment** was due to the depreciation charged for the period.

- 2b. The decrease in **Intangible assets** was due to the amortisation charged of license fee for the period.

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

- 2d. **Borrowings** refer to the hire purchase creditors .

- 2e. **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. The decrease was due to fair value gain recognized.

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**

The Group's preschool centre is in development phase. The company is preparing for an expansion in Singapore via organic growth, licensing and is also exploring acquisition of other preschool centres.

The Company is still working towards a resumption of trading for our shares. However, this is subject to the Company's fulfilment of conditions that the SGX-ST will impose as it deems fit in its discretion.

The Group has reported that we continue to face challenges especially in the media sales division. We remain mindful and will take appropriate action to mitigate the impact on the Group's business.

11. Dividend

(a) Current Financial Year Reported On 30 September 2018

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 2017.

(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 30 September 2018

There is no general mandate on Interested Person Transactions.

The aggregate value of interested person transactions for the period ended 30 September 2018 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)	
	9M ended 30 September 2018	9M ended 30 September 2017	9M ended 30 September 2018	9M ended 30 September 2017
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 30 September 2018.

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 Q3 and 9M ended 30 September 2018 to be false and misleading in any material aspect.

15. Confirmation pursuant to the Rule 720(1) of the listing manual

The Company has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the listing manual.

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
14 November 2018

Jaleeludeen Bin Abu Baker
Audit Committee Chairman
14 November 2018