ATTILAN

ANNUAL REPORT 2017

CONTENTS

MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Attilan Group Limited, I am pleased to present the Group's Annual Report for the financial year ended 31 December 2017 ("FY2017").

Financial review

Our Group's revenue remained consistent at S$2.3 million for the last 2 financial years ended 2016 and 2017. We recorded improved revenue from the preschool business that have cushioned the lower media sales and fund management income.

Our Group recorded loss after tax of S$5.2 million for FY2017 as compared to S$36.5 million for FY2016. The loss for FY2017 was mainly due to one of items arising from the loss on disposal of financial assets available-for-sale and impairment loss on intangible assets, investment in associated companies, and receivables.

Operational and Corporate Development

Our Group has undertaken the following developments during the year:

Pre-School

Our first Hi-5 House of Learning preschool centre is still in the development phase and is seeing a steady increase in enrolment numbers. The company is preparing for an expansion into the other parts of Singapore via organic growth, licensing and is also exploring acquisition of other preschool centres.

Media Content

The Group continues to face 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.

Corporate Updates

The Company has entered into a subscription agreement for the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018 ("RSCN"), with an aggregate of up to S$50 million in eight tranches. We have issued S$1.25 million of RSCN and S$0.40 million had been converted to date.

We have made progress in addressing our issues with our creditors. We have on 18 May 2018 entered into a Deed of Settlement with Phillip Asia Opportunity Fund Ltd to agree for a settlement plan to put on hold the legal suit pending the performance of the settlement.

We have applied for resumption of trading to The Singapore Exchange Securities Trading Limited on 25 May 2018. The RSCN subscriber has indicated continuous support to our Group on the condition that trading of the Company's shares resume.

MANAGING DIRECTOR'S STATEMENT

Outlook

The Group continues to focus on the education and media business. Our subsidiary, HOL International Pte Ltd has identified some potential preschools sites for expansion. These sites have heavy concentration of young couples with young children. We continue to undertake the assessment and evaluation on the feasibility of these sites. In the meantime, we continue to develop our media business through our subsidiary, Hub Media Group Pte Ltd, to enhance its business in the consumer, entertainment and media industry.

Appreciation

The Group continues to face challenges in 2017 as we are still restructuring the business model and streamlining the Group.

On behalf of the Board, I would like to extend our deepest appreciation to the stakeholders who stood by the Company during this difficult period. We look forward for your continued strong support for the next few years as we will work to turn the Company around.

I would also like to thank the management and staff for the dedicated commitment to the Company during a difficult and demanding year.

Thank you.

Datuk Jared Lim Chih Li
Managing Director

5 July 2018

PROFILE OF THE DIRECTORS

Datuk Jared Lim Chih Li
Managing Director

Datuk Jared Lim Chih Li is the Managing Director of Attilan Group Limited and also the founding partner of Tremendous Asia Partners, an Asian-owned and Locally-grown private equity fund focused on the consumers space in South East Asia.

Prior to joining Attilan Group Ltd in 2007, Datuk Jared was an investment banker with Avenue Securities and was responsible for the setting up of the corporate finance unit, eventually building it up to a 40 man strong unit with a strong track record in Equity offerings, Restructurings, M&A and Bond Issues. Datuk Jared built a niche in Malaysia in cross border equity offerings involving PRC enterprises, which eventually led to him starting an Emerging East Asian private equity model.

Datuk Jared has a Bachelors Degree in Economics and Accounting from the University of Bristol and obtained a First Class in Masters of Finance from the University of Hull and the Chartered Financial Analyst (CFA) qualification.

PROFILE OF THE DIRECTORS

Mr Attlee Hue Kuan Yew
Independent Director

Mr Attlee Hue joined the Company in July 2007 as an Independent director. He is currently the Chairman of the Remuneration Committee and Nominating Committee.

Attlee was previously practicing as advocate & solicitor in Singapore for 15 years and Malaysia for 5 years. He is also qualified as a solicitor with England and Wales. He specialized in corporate law and was involved in cross border and multi-jurisdictional investment structures and tax and equity and debt fund raising.

After his stint as a lawyer, he and two other partners founded a private equity company known as AsiaEquity Partners Pte Ltd ("AsiaEquity"). He performed the role as the managing director of AsiaEquity. AsiaEquity was an exempt fund manager involved in various property transactions exceeding US$500 million in the aggregate.

Attlee presently conducts seminars on investments particularly in the area of Real Estate Investments Trusts for which he has written a book on the subject matter.

Attlee has an Honours degree in Law from The National University of Singapore and an MBA in Investment and Finance from the University of Hull which he obtained with Distinction. He is a CFA charterholder.

PROFILE OF THE DIRECTORS

Balraj Singh Pannu a/l Gajjan Singh
Independent Director

Mr. Balraj Singh Pannu a/l Gajjan Singh joined the Company on 29 June 2016 as an Independent director. He is currently a member of Audit, Remuneration and Nominating Committee.

Balraj was previously practicing as a corporate lawyer in United Kingdom and Hong Kong for almost 4 years. He was later appointed as Executive Director for an international NGO in India from year 2006 to 2008. Upon returning to Malaysia in year 2008, he was appointed as Director of Pannu Group of Companies and involved in the management of a manufacturing business with supplies to the automatic and garment industry. He was then director of BE Group in Malaysia, which has interests in early child care education, wellness and restaurants.

Presently, he is the Executive Director of Pannu Group of Companies who spearhead business development with innovative product mix to open new markets segments.

Balraj has Masters of Arts (Jurisprudence) and an Honours degree in Bachelor of Arts (Jurisprudence) from Oxford University, England. He also completed his Legal Practice Course for Solicitors at Oxford Institute of Legal Practice, England in June 2002.

PROFILE OF THE DIRECTORS

Jaleeludeen Bin Abu Baker
Independent Director

Mr. Jaleeludeen Bin Abu Baker joined the Company on 29 June 2016 as an Independent director. He is currently the Chairman of the Audit Committee and a member of Remuneration and Nominating Committee.

Jaleeludeen was previously practicing as Company Secretary in Malaysia and Licensed Trust Officer for Offshore Companies in Labuan, Malaysia for more than 15 years. He was admitted as an Advocate & Solicitor of the High Court of Malaya in Kuala Lumpur in 1995.

Jaleeludeen was also an Executive Director of AHB International Berhad who undertook a comprehensive review of the overall legal position with regards to its investment portfolios, re-assessing legal disputes with various parties, addressing human resource issues etc.

Jaleeludeen has an Honours degree in Law from International Islamic University, Malaysia. He also received his certificate in construction project management and contract administration at Teesside Tertiary College, United Kingdom and completed his Diploma in Business Administration at the Institute of Business Administration, United Kingdom.

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER
199906459N

BOARD OF DIRECTORS
Datuk Jared Lim Chih Li
Managing Director

Attlee Hue Kuan Yew
Independent Director

Balraj Pannu a/l Gajjan Singh
Independent Director

Jaleeludeen Bin Abu Baker
Independent Director

COMPANY SECRETARY
Thum Sook Fun

REGISTERED OFFICE
10 Hoe Chiang Road
Keppel Towers #01-01/03
Singapore 089315
Tel : (65) 6319 4300

PRINCIPAL BANKERS
United Overseas Bank Limited
DBS Bank Ltd

AUDIT COMMITTEE
Jaleeludeen Bin Abu Baker – Chairman
Attlee Hue Kuan Yew
Balraj Singh Pannu a/l Gajjan Singh

REMUNERATION COMMITTEE
Attlee Hue Kuan Yew – Chairman
Balraj Singh Pannu a/l Gajjan Singh
Jaleeludeen Bin Abu Baker

NOMINATING COMMITTEE
Attlee Hue Kuan Yew – Chairman
Balraj Singh Pannu a/l Gajjan Singh
Jaleeludeen Bin Abu Baker

SHARE REGISTRAR
RHT Corporate Advisory Pte. Ltd.
9 Raffles Place
#29-01 Republic Plaza Tower 1
Singapore 048619

AUDITOR
Moore Stephens LLP
Public Accountants and Chartered Accountants
10 Anson Road
#29-15 International Plaza
Singapore 079903

Partner-in-Charge: Mr. Christopher Bruce Johnson
(With effect from 2017)

WEBSITE
www.attilangroup.com

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain high standards of corporate governance, to promote transparency within the Company in the spirit of the Code of Corporate Governance 2012 (the “Code”). In line with the commitment by the Company to maintain high standards of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code.

The Board is pleased to present the Corporate Governance Report which outlines the Company’s corporate governance practices with specific reference made to the principles and guidelines of the Code, which forms part of continuing obligations under the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1 : ***Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.***

The Board of Directors (the “Board”) is collectively responsible for providing overall strategy and direction to the Management and the Group. Every Director is expected to act in good faith and always in the best interest of the Company.

The Board is entrusted with the oversight of the business performance and affairs of the Group. Apart from carrying out its statutory responsibilities, the Board oversees the formulation of the Group’s long term strategic objective and directions, reviews and approves the Group’s business and strategic plans and monitors the achievements of the Group’s corporate objectives.

Matters requiring the Board’s decision and approval include:-

- Corporate strategic direction, strategies and action plans;
- Authorization of acquisition/disposal, major funding proposals, investments, acquisitions and divestments proposals including the Group’s commitment in term of capital and other resources;
- Share issuance and dividends and major corporate policies on key areas of operations;
- Announcement of quarterly and full year results and release of annual reports;
- Internal controls and risk management strategies and execution;
- Appointment of Directors and key management staff, including review of performance and remuneration packages.

CORPORATE GOVERNANCE REPORT

To facilitate effective execution of its functions, certain functions have been delegated to various Board Committees, which would submit its recommendations or decisions to the Board. The Board Committees constituted by the Board are:-

(i) Nominating Committee ("NC");

(ii) Remuneration Committee ("RC"); and

(iii) Audit Committee ("AC").

Each of these Board Committees has its own terms of reference and the Committees are each chaired by an Independent Director.

The Board conducts meetings on a quarterly basis to coincide with the announcement of the Group quarterly and full year financial results, and as and when it deems necessary. Six (6) Board meetings were held in FY2017, of which four (4) were the regular quarterly meetings and two additional meetings were convened to discuss other important and strategic matters.

The Company's Constitution provides for Board meetings to be conducted by way of tele-conferencing or video-conferencing.

The approval of the Board is required for any matters which are likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business.

The attendance of the Directors at the Board and Board committee meetings held in the FY2017 are as follows:-

Meeting of the Board and Committees:	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
No. of meetings held in FY2017	6	4	N/A	N/A
No. of meetings attended by the respective Directors				
Datuk Jared Lim Chih Li	5	N/A	N/A	N/A
Attlee Hue Kuan Yew [1]	6	4	N/A	N/A
Jaleeludeen Bin Abu Baker [1]	6	4	N/A	N/A
Balraj Singh Pannu a/l Gajjan Singh [1]	6	4	N/A	N/A

(1) Independent Directors

Our Directors are provided with regular updates, particularly on the changes in relevant laws and regulations, industry developments, business initiatives and challenges; and analyst and media commentaries on matters related to the Company. Updates on the relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts. They are also informed about matters such as the code of dealings in the Company's shares and staff share trading policy as they are privy to price sensitive information.

When a Director is first appointed to the Board, the Company will arrange an orientation program for new Director to familiarize new appointee with the Group's business, operations, organization structure and corporate policies. The new Director is also briefed on the Company's corporate governance practices.

Board Composition and Guidance

Principle 2 : There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently has four directors, three of whom are Independent Directors. The criteria of independence are based on the definition given in the Code. The Board considers an Independent Director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement of the Group's affairs.

The Board members as at the date of this report are:

Datuk Jared Lim Chih Li	- Managing Director
Attlee Hue Kuan Yew	- Independent Director
Jaleeludeen Bin Abu Baker	- Independent Director
Balraj Singh Pannu a/l Gajjan Singh	- Independent Director

The Directors bring with them a wealth of expertise and experience in areas such as accounting, finance, law, business and management, industry knowledge and strategic planning. The profiles of the Directors are set out in the "Board of Directors" section of this Annual Report. The Board is of the view that its current composition appropriate to facilitate effective decision making, taking in to account the size, nature and scope of the Group's operations.

Independent directors constructively challenge and help develop proposals on strategy. They also review the performance of management in meeting agreed goals and monitor the reporting of performance. At meetings of the Board, directors are free to discuss and openly challenge the views presented by management and other directors. The decision-making process is an objective one.

The NC has reviewed the independence of each director in accordance with the Code's definition of independence and is satisfied that more than one-third of the Board continues to be independent directors. The Board comprises directors capable of exercising objective judgement on corporate affairs of the Company, independent of management.

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. For FY2017, the NC has determined that three non-executive Directors are independent. Mr. Attlee Hue Kuan Yew has been an Independent Director of the Board for more than nine years from the date of his first appointment on 16 July 2007. The Board, with the concurrence of the NC, has rigorously reviewed the independence of Mr. Attlee Hue and is satisfied that he is independent in character and judgment, and found no evidence to indicate that the length of his service has in any way affected his independence. Given his wealth of business, working experience and professionalism in carrying out his duties, the NC has found Mr. Attlee Hue suitable to act as independent director. The Board has accepted the NC's recommendation that Mr. Attlee Hue be considered independent. Mr. Attlee Hue has abstained himself from deliberating on his independence and nomination.

Chairman and Chief Executive Officer

Principle 3 : There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company is cognizant of the principle that there should be a clear division of responsibility between the Chairman and the Chief Executive Officer ("CEO") (in our case, There is no Chairman and CEO, but in place thereof the Group has a Managing Director ("MD")). The MD is responsible for, inter alia, exercising control over quality, quantity and timeliness of flow of information between management and the Board, and assisting in ensuring compliance with our Company's guidelines on corporate governance. The MD is also responsible for the operations, strategic planning, business development and generally charting the growth of our Company.

Currently, Datuk Jared Lim is the Managing Director of the Company. The Company will consider appointing a new chairman who would be an independent and a non-executive Director to preserve good corporate governance practice.

There is no concentration of power as the Group is run objectively on a transparent basis as the Board feels that there is adequate representation of independence and Non-Executive Directors (at least half) on the Board. The Board is of the view that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence and there is good balance of power and authority with all critical committees chaired by Independent Directors.

Board Membership

Principle 4 : There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The NC comprises the following members:

Attlee Hue Kuan Yew	- Chairman, Independent Director
Balraj Singh Pannu a/l Gajjan Singh	- Member, Independent Director
Jaleeludeen Bin Abu Baker	- Member, Independent Director

The NC's is responsible in the following matters:

(a) review and recommend to the Board on the appointment and re-appointment of Directors to the Board;

(b) determine whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company;

(c) evaluate the performance and effectiveness of the Board as a whole and the contribution of each Director;

(d) review of training and professional development programs for the Board; and

(e) review of the Board succession plans for Directors.

When appointing new Directors, the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, management skills, relevant experience and qualification.

The NC notes the requirement under the Code for companies to fix the maximum number of listed company board representations that their Directors may hold and to disclose this in their annual report. The NC will deliberate on this and details of such Directorships and other principal commitments of the Directors will be disclosed in the next annual report in respect of the financial year ending 31 December 2018. As time requirements are subjective, the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, it will also take into account contributions by Directors during Board and Board Committee meetings and their attendance at such meetings, in addition to each of their principal commitments.

The NC is also responsible for recommending a framework for the evaluation of the Board's and each individual Director's performance for the approval of the Board, the results of which will be taken into consideration during the process of re-appointment of Directors to the Board. Relevant considerations in the evaluation may include attendance at the meetings of the Board and Board Committees, active participation during these meetings and the quality of his or her contributions. Each member of the NC will abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination.

For good corporate governance practice, all Directors, including Managing Director submit themselves for re-nomination and re-election at regular intervals of at least once in every three years. Article 91 of the Company's Constitution requires one-third of the Board, or the number nearest to but not less than one-third, to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting ("AGM"). In addition, Article 97 of the Company's Constitution provides that a newly appointed Director must retire and submit himself for re-election at the next AGM following his appointment. Thereafter, he is subject to be re-elected at least once in every three years.

The status of the members of the Board is as follow:

Name of Director	Appointment	Date last elected/appointed
Datuk Jared Lim Chih Li	Managing Director	25 April 2017
Attlee Hue Kuan Yew	Independent Director	27 April 2016
Jaleeludeen Bin Abu Baker	Independent Director	25 April 2017
Balraj Singh Pannu a/l Gajjan Singh	Independent Director	25 April 2017

Mr. Attlee Hue Kuan Yew and Mr. Balraj Singh Pannu a/l Gajjan Singh will be subject to the retirement by rotation but are eligible to re-election at the forthcoming AGM pursuant to Article 91 of the Company's Constitution.

The NC has reviewed and recommended to the Board that the retiring directors, Mr. Attlee Hue Kuan Yew and Mr. Balraj Singh Pannu a/l Gajjan Singh, being eligible and having consented, be nominated for re-election at the forthcoming AGM.

The profile of our Directors can be found on page 4 to 7 of this Annual Report.

Board Performance

Principle 5 : ***There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.***

The fiduciary responsibilities of the Board include the following:

- to conduct itself with proper due diligence and care;
- to act in good faith;
- to comply with applicable laws; and
- to act in the best interests of the Company and its shareholders at all times.

In addition, the Board is charged with the key responsibilities of leading the Group and setting strategic directions. The Company is of the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance based on its ability to steer the Group in the right direction and the support it renders to the Management. For the purpose of evaluating each individual Directors' performance, the NC takes into consideration a number of factors including the Director's attendance, participation and contributions at the meetings of the Board and Board committees, and other Company activities.

The NC has adopted a formal system of assessing the performance and effectiveness of the Board as a whole. The evaluation of the Board is conducted annually. The performance criteria for the Board evaluation covers, amongst others, size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to discharging the Board's principal responsibilities and standards of conduct of the Board members.

As part of the process, all Directors are required to complete a board evaluation questionnaire which is then collated by the Company Secretary and presented to the NC together with comparatives from the previous years' results. The evaluation exercise provides feedback from each Director, his view on the Board, procedures, processes and effectiveness of the Board as a whole.

For FY2017, the NC is generally satisfied with the Board performance evaluation results which indicated areas of strengths and those that could be improved further. No significant issues were identified.

Access to Information

Principle 6 : ***In order to fulfill their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.***

The Board has separate and independent access to the management of the Group at all times. Request for information is dealt with promptly by the management. The Board is informed of all material events and transactions as and when they occur. The information made available to the Directors is in various forms such as quarter and full-year financial results, progress reports of the Group's operations, corporate development, regulatory updates, business developments and audit reports. The management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with Board papers timely prior to Board meetings.

The Directors also have separate and independent access to the Company Secretary and the external auditors at all times in carrying out their duties. The Company Secretary attend Board meetings and assist the Chairman of the Meeting in ensuring that Board procedures are followed so that the Board functions effectively and that the Company's Constitution, the Singapore Companies Act, the Listing Manual of the SGX-ST and other relevant rules and regulations applicable to the Company are complied with. The Company Secretary also attends and prepares minutes for all Board meetings. The appointment and removal of the Company Secretary are decided by the Board as a whole.

The Board in furtherance of their duties can as a group or individually, when deemed fit, direct the Company, at the Company's expense, to appoint an independent professional adviser, to render professional advice.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 7 : ***There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.***

The RC comprises the following members:

Attlee Hue Kuan Yew	- Chairman, Independent Director
Balraj Singh Pannu a/l Gajjan Singh	- Member, Independent Director
Jaleeludeen Bin Abu Baker	- Member, Independent Director

As recommended by the Code, the RC comprises entirely of Non-Executive Directors, majority of whom, including the RC Chairman, is independent.

The RC's key terms of reference include reviewing and deliberating upon the compensation package of the Executive Director and Key Executives; and also include employees who are related to the Substantial Shareholders or Directors. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be reviewed by the RC. In determining remuneration packages of Executive Director and Key Executives, the RC will ensure that Directors and Key Executives are adequately but not excessively rewarded. The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

In discharging their duties, the RC may seek professional advice where necessary. All recommendations of the RC will be submitted for endorsement by the entire Board. The payment of fees to Non-Executive Directors is subject to approval at the general meeting of the Company. No Director is involved in deciding his own remuneration.

The MD has entered into service contract with the Company. The service contract was reviewed by the RC in FY2016 and renewed for another 3 years until July 2019 and endorsed by the Board.

Level and Mix of Remuneration

Principle 8 : The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration package for Executive Director and Key Management Personnel, the performance related elements of remuneration form a significant portion of the total remuneration package in order to align the Executive Director's and Key Management Personnel's interests with those of shareholders and to link rewards to corporate and individual performance. The RC will also take into consideration the pay and employment conditions within the industry and comparable companies.

The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution, effort and time spent, and the responsibilities of the Directors. The Directors' fee payable to Non-Executive Directors is subject to shareholders' approval at the Company's AGM.

Currently there are no contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC will review and consider recommending to the Board to implement such provisions.

Disclosure on Remuneration

Principle 9 : ***Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.***

The breakdown of the remuneration of Directors for the financial year ended 31 December 2017 is as follows:

Directors	Salary & CPF	Fee	Bonus	Allowance and Other Benefits
Below S$250,000				
Datuk Jared Lim Chih Li	100%	–	–	–
Attlee Hue Kuan Yew	–	100%	–	–
Balraj Singh Pannu a/l Gajjan Singh	–	100%	–	–
Jaleeludeen Bin Abu Baker	–	100%	–	–

No Director is involved in determining his own remuneration. The remuneration of the Independent Directors is in the form of a fixed fee. Directors' fees are recommended by the Board for shareholders' approval at the AGM.

The total remuneration paid to the top five Key Management Personnel for FY2017 is S$355,700.

The Board is of the opinion that it is not in the best interests of the Company to disclose:-

a) The total remuneration of each Director and Key Management Personnel in dollars terms, given the sensitivity and confidentiality of the remuneration matters; and

b) The name of its Key Management Personnel in order to ensure the Company's competitive advantage in the retention of its staff.

None of the employees of the Group whose annual remuneration exceeds S$50,000 are immediate family members of the Managing Director or any other Directors of the Company.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10 : The Board should present a balanced and understandable assessment of the company's performance position and prospect.

In presenting its quarterly and full year financial results, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Company's performance, position and prospects through announcements via SGXNET.

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the Managing Director has provided assurance to the Board on the integrity of the Group's financial statements.

The Board is accountable to its shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysis or simultaneously with such meetings. Financial results and annual reports are announced and issued within the statutory prescribed periods.

The Board meets on a quarterly basis where they are briefed on the performance of the Company and to deliberate on quarterly results. Additional Board meetings may be convened where necessary. Circular resolutions are also circulated to Board members together with the necessary information to allow the Board to make a balanced and informed assessment of any prospects.

Risk Management and Internal Controls

Principle 11 : The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board believes in the importance of maintaining a sound system of risk management and internal controls to safeguard the interests of the shareholders and the Company's assets. The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

As part of the annual statutory audit, the Company's external auditors conducted an annual review, in accordance with their audit plan, on the adequacy and effectiveness of the Company's risk management and material internal control systems, including financial, operational, compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken on the recommendations made by the external auditors in this respect, if any.

Based on the external auditors' reports, the actions taken by the Management, the on-going review and continuing efforts in enhancing internal controls and processes, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls and risk management that has been maintained by the Management throughout the financial year being reported on is adequate and effectively meets the needs of the Group in its current business environment, and addresses the financial, operational, compliance and information technology risks.

The AC and the Board has received assurance from the MD and Group Finance Manager that:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) regarding the effectiveness of the company's risk management and internal control systems and have discussed with the Group's external and internal auditors of their respective reporting points and note that there has been no significant deficiencies in the internal controls which could adversely affect the Company's ability to report, process, summarize or report financial data.

The Board will reconstitute a Risk Management Committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.

Audit Committee ("AC")

Principle 12 : The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC comprises the following members:

Jaleeludeen Bin Abu Baker	- Chairman, Independent Director
Attlee Hue Kuan Yew	- Member, Independent Director
Balraj Singh Pannu a/l Gajjan Singh	- Member, Independent Director

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, and has been entrusted with the following functions:

(a) review with the auditors the audit plans, their evaluation of the system of internal controls, audit report and management letter;

(b) review the financial statements before release to external and relevant parties;

(c) review the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and the Management;

(d) review the co-operation given by the Company's officers to the auditors;

(e) review the legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies and programs and reports received from the regulators;

(f) review the cost effectiveness, independence and objectivity of the auditors;

(g) review the nature and extent of non-audit services, if any, provided by the external auditors and seek to balance the maintenance of objectivity and value for money;

(h) nominate the appointment of external auditor; and

(i) review and ratify all interested person transactions to ensure that they comply with the approved internal control procedures and have been conducted at arm's length basis.

The Board ensured that the members of the AC are appropriately qualified to discharge their responsibilities whereby at least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The AC meets at least four times a year and as frequently as is required. In particular, the AC meets to review the financial statements before announcement. In the year under review, the AC has met to review and approve the quarter and the full year unaudited results for announcement purposes. The AC also reviews proposed changes to the accounting policies and discusses accounting implications of major transactions including significant financial reporting issues.

The AC has met with the auditors annually, without the presence of the Company's Management, to examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility.

Pursuant to Rule 715 and Rule 716 of the SGX Listing Manual, the AC noted that the Company and its Singapore incorporated subsidiaries, are audited by Moore Stephens LLP, Singapore. The statutory audits of its Malaysian subsidiaries and associated companies were audited by Moore Stephens Associates PLT, Malaysia who is a member of Moore Stephens International Limited and UHY, Chartered Accountants, Malaysia.

In compliance of Rule 712, Rule 715 and Rule 716, the AC and the Board confirm that they have considered the adequacy of the resources and experience of the auditing firm and the engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity and the professional staff assigned to the audit before nominating the auditing firm as the Company auditor. The list of subsidiaries and associated companies are listed in the Annual Report in Note 17 and 18 respectively.

The AC undertook the review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit services provided and the fees paid to them.

The audit fees paid to the external auditors are as follows:

Auditors of the Group	S$ 79,654.00
Other Auditors	S$ 4,142.00
Total	S$ 83,796.00

No fee is paid to the external auditors for non-audit services in FY2017.

The AC is satisfied with the external auditors' independence; hence has recommended the re-appointment of the external auditors at the forthcoming AGM of the Company.

The Company had implemented a whistle-blowing policy and procedures whereby staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters for independent investigation and for appropriate follow up action.

Internal Audit

Principle 13 : The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function will supplement and strengthen the effectiveness of the system of internal control which provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks. However, the Board notes that no system of internal control could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

During the financial year being reported on, as the Group's new business activity is going through the development phase, no internal audit was conducted to assess the adequacy and effectiveness of Group's internal controls. The Board acknowledges that it is responsible for maintaining an internal audit function that is independent of the activities it audits. The effectiveness of the internal control systems and procedures are monitored by the Management.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14 : Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Shareholders are sufficiently informed of changes in the company or its business which would be likely to materially affect the price or value of the company's shares.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the press and posted onto the SGXNET.

If shareholders (other than a "Relevant Intermediary") are unable to attend the meetings, the Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Communication with Shareholders

Principle 15 : Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Company's new initiatives are first disseminated via SGXNET followed by a news release (if appropriate), which is also available on the SGX-ST's website.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNET and results and annual reports are also announced or issued within the mandatory period. All shareholders of the Company receive a copy of the Annual Report and the Notice of AGM, which is held within four months after the close of financial year. The Notice is also advertised in the newspapers.

Material information concerning the Company are released via the SGXNET and in certain corporate exercises, press releases are also made by external public relations company engaged by the Company.

The Board solicits and understands the views of the shareholders through general meetings.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions and other factors as the Directors may deem appropriate.

Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to shareholders via announcement released on SGXNET. For FY2017, no dividend is declared due to the Company's performance.

Conduct of Shareholder Meetings

Principle 16 : Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

At general meetings, shareholders are given opportunities to voice their views and ask the Board or Management questions regarding the Company. The Company's Constitution provides that shareholders of the Company are allowed to vote in person or by way of duly appointed proxy. The Company's Constitution currently do not allow a shareholder to vote in absentia.

At general meetings, separate resolutions will be set out on distinct issues for approval by shareholders.

Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. The Board and senior management are present at each general meeting to respond to any questions from shareholders. The Group's external auditors are also present to address queries regarding the conduct of the audit and the preparation and content of the auditors' report.

Shareholders are also given the opportunity to participate effectively and vote at general meetings, where relevant rules and procedures governing such meeting are clearly communicated. All resolutions at general meetings of the Company will be voted by poll as required by Rule 730A(2) of the Listing Manual.

Statement of Compliance

The Board is pleased to confirm that for the financial year ended 31 December 2017, the Company has generally adhered to the principles and guidelines as set out in the Code saved as disclosed otherwise.

This Corporate Governance Report is dated 5 July 2018.

Dealings in Securities

In compliance with Rule 1207 (19) of the Listing Manual issued by SGX-ST, the Company has in place a policy prohibiting share dealings by Directors and officers of the Company during the period commencing two weeks prior to the announcement of quarter results and one month prior to the announcement of full year results (as the case may be); and ending on the date of announcement of the results. Directors and executive officers are expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods, and not deal in the Company's shares on short-term considerations. The implications of insider trading are clearly set out in the procedures and guidelines.

Interested Person Transactions

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board. For the financial year reported on, there were no interested person transactions entered into. The Group does not have a general mandate from shareholders in relation to interested person transactions.

Material Contracts

Save as disclosed herein under the section on Interested Person Transactions above, there were no material contracts of the Company and its subsidiaries involving the interests of the Chairman, Managing Director, any Director or controlling shareholders.

Corporate Social Responsibility ("CSR")

Currently, the Company does not have in place CSR policies or practices. However, ad-hoc practices are adopted by certain investee companies when it arises.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Attilan Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2017, and the statement of financial position of the Company as at 31 December 2017.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, with reference to Note 2(a) to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay their debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Datuk Jared Lim Chih Li
Attlee Hue Kuan Yew
Balraj Singh Pannu a/l Gajjan Singh
Jaleeludeen Bin Abu Baker

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Holdings registered in the name of directors		Holdings in which a director is deemed to have an interest	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
The Company				
No. of ordinary shares				
Datuk Jared Lim Chih Li	–	–	412,994,400	412,994,400

Datuk Jared Lim Chih Li, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in the share capital of the subsidiaries as disclosed in Note 17 of the financial statements.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2018.

4 Options Granted

During the financial year, no option to take up unissued shares of the Company or its subsidiaries has been granted.

5 Options Exercised

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

6 Options Outstanding

There are no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

7 Audit Committee

The members of the audit committee ("AC") at the end of the financial year were as follows:

- Attlee Hue Kuan Yew (Independent, Non-Executive)
- Balraj Singh Pannu a/l Gajjan Singh (Independent, Non-Executive)
- Jaleeludeen Bin Abu Baker (Independent, Non-Executive)

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the review of the following:

- the audit plan of the Company's independent auditor and their report on the weaknesses of internal accounting controls arising from the statutory audit;
- reviewed the quarterly financial information and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company;
- met with the external auditor in a separate executive session to discuss any matters that the external auditor believes should be discussed privately with the AC;
- the assistance given to the independent auditor by the Company's management; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2017, as well as the Independent Auditor's Report on the statement of financial position of the Company and the consolidated financial statements of the Group.

Further information regarding the AC is detailed in the Corporate Governance Report set out in the Annual Report of the Company.

The AC has recommended to the Board that the independent auditor, Moore Stephens LLP, Public Accountants and Chartered Accountants, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

8 Independent Auditor

The auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

DATUK JARED LIM CHIH LI	BALRAJ SINGH PANNU A/L GAJJAN SINGH

Singapore
5 July 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Attilan Group Limited

Report on the Audit of the Financial Statements

We were engaged to audit the financial statements of Attilan Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. <u>Financial Effects of Put Option Agreements</u>

   As disclosed in Note 27 to the financial statements, the Group and the Company have recognised a liability of S$24,500,000 as at 31 December 2016 and 2017, relating to the valuation of the put option agreements ("Options") entered into with certain third parties ("Investors"), that provide the Investors with the right to require the Company to acquire their investments in preference shares issued by TAP Venture Fund I Pte. Ltd. ("TAPVF").

   We have not been provided with sufficient appropriate audit evidence, nor were we able to perform alternative audit procedures, to ascertain that the financial effects, including the fair value of the Options have been appropriately assessed and adjusted in the consolidated financial statements of the Group, and the balance sheet of the Company, as at 31 December 2016 and 2017. Consequently, we were unable to determine whether any adjustments to the consolidated financial statements of the Group, and the balance sheet of the Company, were necessary.

2. <u>Appropriateness of Going Concern Assumption</u>

   As disclosed in Note 2(a) to the financial statements, the Group incurred a net loss and total comprehensive loss of S$5,176,256 and S$6,383,285 (2016: net loss and total comprehensive loss of S$36,546,311 and S$37,819,115) respectively for the financial year ended 31 December 2017. As at 31 December 2017, the Group's and the Company's current liabilities exceeded their current assets by S$38,436,895 (2016: S$40,173,540) and S$32,879,319 (2016: S$32,036,981) respectively, and the Group and the Company have a net deficit in shareholders' funds of S$40,290,956 (2016: S$35,441,671) and S$32,787,327 (2016: S$30,030,046) respectively.

Basis for Disclaimer of Opinion (cont'd)

2. Appropriateness of Going Concern Assumption (cont'd)

   These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as a going concern and to realise their assets and discharge their liabilities in the ordinary course of business.

   Management has prepared the financial statements on a going concern basis on the assumption that the Group and the Company will continue as a going concern. The ability of the Group and the Company to continue as going concern is dependent on certain assumptions and the successful outcome of the various efforts by the Group as disclosed in Note 2(a) to the financial statements, the outcome of which is inherently uncertain.

   In the light of the material uncertainties discussed above, we do not have sufficient audit evidence regarding the use of the going concern assumption in the preparation of the financial statements. Consequently, we are unable to form a view as to the use of the going concern assumption in the preparation of these financial statements.

   In the event the Group and the Company are unable to continue in existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (the "FRSs"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the members of Attilan Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing ("SSAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Disclaimer of Opinion section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
5 July 2018

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2017

	Note	Group 2017	Group 2016
		S$	S$ (Restated)
Revenue	4	2,315,929	2,332,983
Cost of sales		(279,608)	(1,549,595)
Gross profit		2,036,321	783,388
Administrative expenses		(3,850,109)	(4,383,910)
Other income	5	4,173,543	8,504,723
Other expenses	6	(6,469,515)	(38,780,308)
Loss from operations		(4,109,760)	(33,876,107)
Finance income	7	344	957
Finance costs	8	(511,322)	(336,403)
Share of loss of associated companies	18	(541,134)	(2,335,498)
Loss before tax	10	(5,161,872)	(36,547,051)
Income tax (expense)/benefit	11	(14,384)	740
Loss after tax		(5,176,256)	(36,546,311)
Loss attributable to:			
Owners of the Company		(4,457,462)	(36,247,069)
Non-controlling interest		(718,794)	(299,242)
		(5,176,256)	(36,546,311)
Loss per share			
Basic and diluted (cents per share)	34	(0.37)	(3.30)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	Group 2017 S$	Group 2016 S$ (Restated)
Loss after tax		(5,176,256)	(36,546,311)
Other comprehensive loss, net of tax:			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		102,262	399,935
Net fair value loss on financial assets, available-for-sale		–	(1,257,096)
Fair value gains recycled to profit or loss on de-recognition	14	(924,508)	–
Share of other comprehensive loss of associated companies:			
Exchange differences on translation of foreign operations		(384,783)	(415,643)
Other comprehensive loss for the year, net of tax		(1,207,029)	(1,272,804)
Total comprehensive loss for the year		(6,383,285)	(37,819,115)
Total comprehensive loss attributable to:			
Owners of the Company		(5,664,491)	(37,519,873)
Non-controlling interest		(718,794)	(299,242)
		(6,383,285)	(37,819,115)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Note	Group 2017	Group 2016	Group 2015	Company 2017	Company 2016	Company 2015
		S$	S$ (Restated)	S$	S$	S$ (Restated)	S$
ASSETS							
Current Assets							
Cash and bank balances	13	318,499	517,224	729,008	213,591	110,737	161,292
Financial assets, available-for-sale	14	–	–	350,657	–	–	–
Trade receivables	15	–	84,445	24,531	–	–	–
Other current assets	16	5,465,999	3,144,881	1,485,992	5,065,005	2,584,254	554,216
Amounts due from subsidiaries	23	–	–	–	–	1,724,608	1,755,580
		5,784,498	3,746,550	2,590,188	5,278,596	4,419,599	2,471,088
Investment properties held for sale	20(a)	2,050,001	–	–	–	–	–
Total Current Assets		7,834,499	3,746,550	2,590,188	5,278,596	4,419,599	2,471,088
Non-Current Assets							
Investments in subsidiaries	17	–	–	–	5	141,498	141,498
Investments in associated companies	18	–	1,922,726	4,553,818	–	–	–
Financial assets, available-for-sale	14	2	3,738,005	5,031,403	–	–	–
Property, plant and equipment	19	330,699	614,369	701,511	98,340	175,095	619,769
Investment properties	20	–	2,151,944	2,195,648	–	–	–
Intangible assets	21	350,000	450,000	2,415,185	–	–	–
Loan receivable	22	–	–	–	–	–	–
Other non-current assets	16	119,013	119,013	261,926	–	–	136,835
Amounts due from subsidiaries	23	–	–	–	–	2,221,435	9,319,077
Goodwill	24	–	–	5,772,203	–	–	–
Total Non-Current Assets		799,714	8,996,057	20,931,694	98,345	2,538,028	10,217,179
Total Assets		8,634,213	12,742,607	23,521,882	5,376,941	6,957,627	12,688,267

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

(cont'd)

	Note	Group 2017	Group 2016	Group 2015	Company 2017	Company 2016	Company 2015
		S$	S$ (Restated)	S$	S$	S$ (Restated)	S$
Current Liabilities							
Trade and other payables	25	11,470,879	8,948,811	8,842,859	5,544,082	3,196,117	2,634,241
Financial guarantee contract	26	8,074,093	8,736,766	–	8,074,093	8,736,766	–
Put options liabilities	27	24,500,000	24,500,000	–	24,500,000	24,500,000	–
Income tax payable		–	–	1,639	–	–	–
Borrowings	30	1,482,414	1,734,513	7,064,916	39,740	23,697	22,698
		45,527,386	43,920,090	15,909,414	38,157,915	36,456,580	2,656,939
Liabilities directly associated with investment properties held for sale	20(b)	744,008	–	–	–	–	–
Total Current Liabilities		46,271,394	43,920,090	15,909,414	38,157,915	36,456,580	2,656,939
Non-Current Liabilities							
Financial liabilities, at fair value through profit or loss	28	2,542,721	2,876,192	4,353,325	–	–	–
Provision for reinstatement cost	29	96,720	96,720	–	–	–	–
Borrowings	30	14,334	1,291,276	881,699	6,353	531,093	54,790
Total Non-Current Liabilities		2,653,775	4,264,188	5,235,024	6,353	531,093	54,790
Total Liabilities		48,925,169	48,184,278	21,144,438	38,164,268	36,987,673	2,711,729
Equity Attributable to Owners of the Company							
Share capital	31	120,312,067	119,912,067	119,912,067	120,312,067	119,912,067	119,912,067
Accumulated losses		(150,881,190)	(146,423,728)	(110,176,659)	(154,319,313)	(150,028,032)	(110,021,448)
Foreign currency translation reserve	32	567,421	849,942	865,650	85,919	85,919	85,919
Other reserves	32	(10,429,690)	(10,429,690)	(10,429,690)	–	–	–
Fair value reserve	32	–	924,508	2,181,604	–	–	–
Equity component of convertible notes	32	1,134,000	–	–	1,134,000	–	–
Total Shareholders' Funds		(39,297,392)	(35,166,901)	2,352,972	(32,787,327)	(30,030,046)	9,976,538
Non-controlling Interests		(993,564)	(274,770)	24,472	–	–	–
Total Equity		(40,290,956)	(35,441,671)	2,377,444	(32,787,327)	(30,030,046)	9,976,538
Total Liabilities and Equity		8,634,213	12,742,607	23,521,882	5,376,941	6,957,627	12,688,267

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

	Attributable to equity holders of the Company								
	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Other Reserves	Fair Value Reserve	Equity Component of Convertible Notes	Total	Non-controlling Interests	Total Equity
	S$	S$	S$	S$	S$	S$	S$	S$	S$
Group									
At 1 January 2017	119,912,067	(146,423,728)	849,942	(10,429,690)	924,508	–	(35,166,901)	(274,770)	(35,441,671)
Loss for the year	–	(4,457,462)	–	–	–	–	(4,457,462)	(718,794)	(5,176,256)
Other comprehensive loss	–	–	(282,521)	–	(924,508)	–	(1,207,029)	–	(1,207,029)
Total comprehensive loss	–	(4,457,462)	(282,521)	–	(924,508)	–	(5,664,491)	(718,794)	(6,383,285)
Issue of ordinary shares	400,000	–	–	–	–	–	400,000	–	400,000
Issue of convertible notes	–	–	–	–	–	1,134,000	1,134,000	–	1,134,000
Balance as at 31 December 2017	120,312,067	(150,881,190)	567,421	(10,429,690)	–	1,134,000	(39,297,392)	(993,564)	(40,290,956)
At 1 January 2016	119,912,067	(110,176,659)	865,650	(10,429,690)	2,181,604	–	2,352,972	24,472	2,377,444
Loss for the year	–	(36,247,069)	–	–	–	–	(36,247,069)	(299,242)	(36,546,311)
Other comprehensive loss	–	–	(15,708)	–	(1,257,096)	–	(1,272,804)	–	(1,272,804)
Total comprehensive loss	–	(36,247,069)	(15,708)	–	(1,257,096)	–	(37,519,873)	(299,242)	(37,819,115)
Balance as at 31 December 2016	119,912,067	(146,423,728)	849,942	(10,429,690)	924,508	–	(35,166,901)	(274,770)	(35,441,671)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

	Group	
	2017	**2016**
	S$	**S$ (Restated)**
Cash Flows from Operating Activities		
Loss before tax	(5,161,872)	(36,547,051)
Adjustments for:		
Depreciation and amortisation expenses	474,927	1,899,248
Fair value gain on financial liability, at fair value through profit or loss	(333,471)	(1,477,133)
Finance costs	511,322	336,403
Finance income	(344)	(957)
Financial guarantee (write back)/expense	(2,684,685)	6,381,372
Put options liabilities	–	24,500,000
Loss/(gain) on disposal of financial assets, available-for-sale	2,813,494	(523,288)
Gain on disposal of property, plant and equipment	(125)	(193)
Impairment loss on investment properties held for sale	101,943	–
Impairment loss on investments in associated companies	1,113,158	–
Impairment loss on financial assets, available-for-sale	–	36,302
Impairment loss on goodwill	–	5,772,203
Impairment loss on intangible assets	1,407,278	1,527,547
Impairment loss on trade and other receivables	1,031,838	–
Property, plant and equipment written-off	–	256,316
Share of loss of associated companies	541,134	2,335,498
Wavier of loan and interest payable	–	(6,260,565)
Write back of impairment loss on trade and other receivables	–	(100,000)
Write back of other payables and accruals	(189,572)	–
Unrealised foreign currency exchange (gain)/loss	(676,880)	113,935
Operating cash flows before changes in working capital	(1,051,855)	(1,750,363)
Changes in working capital:		
Financial assets, available-for-sale	–	873,945
Trade and other receivables and other current assets	(3,268,512)	446,639
Trade and other payables	3,091,577	144,522
Net cash used in operations	(1,228,790)	(285,257)
Income tax paid	(14,384)	(899)
Net cash used in operating activities	(1,243,174)	(286,156)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

(cont'd)

	Group 2017	Group 2016
	S$	S$ (Restated)
Cash Flows from Investing Activities		
Interest received	344	957
Purchase of intangible assets (Note A)	(1,498,000)	(550,375)
Purchase of property, plant and equipment	(757)	(537,063)
Proceeds from disposal of property, plant and equipment	468	240
Proceeds from disposal of financial assets, available-for-sale	1	–
Net cash used in investing activities	(1,497,944)	(1,086,241)
Cash Flows from Financing Activities		
Proceeds from issuance of convertible notes (Note B)	750,000	–
Advances from/(repayment to) former subsidiaries and related parties	2,208,962	(245,600)
Proceeds from borrowings	205,000	1,835,000
Repayment of borrowings	(561,207)	(391,671)
Repayment of finance leases	(33,303)	(29,713)
Interest paid	(27,059)	(7,403)
Net cash generated from financing activities	2,542,393	1,160,613
Net decrease in cash and cash equivalents	(198,725)	(211,784)
Cash and cash equivalents at the beginning of the year	517,224	729,008
Cash and cash equivalents at the end of the year (Note 13)	318,499	517,224

	Group 2017	Group 2016
	S$	S$
Note A:		
Additions to intangible assets	(1,498,000)	(1,050,375)
Deposits paid for intangible assets	–	440,000
Increase in other payables	–	60,000
	(1,498,000)	(550,375)
Note B:		
Proceeds from issuance of convertible notes	1,250,000	–
Decrease in advances from a third party	(500,000)	–
	750,000	–

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

(cont'd)

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

	1 January 2017	Cash flow		Non-cash changes				31 December 2017
		Proceeds	Repayments	Convertible notes	Equity component	Conversion to shares	Interest expense	
	S$	S$	S$	S$	S$	S$	S$	S$
Convertible notes	–	750,000	–	500,000	(1,134,000)	(400,000)	299,000	15,000
Advances from a third party	500,000	–	–	(500,000)	–	–	–	–
Finance lease liabilities	77,324	–	(33,303)	–	–	–	2,727	46,748
Bank term loans	352,916	–	(44,919)	–	–	–	9,919	317,916
Short term loans	1,645,000	205,000	(505,117)	–	–	–	90,117	1,435,000
Advances from former subsidiaries and related parties	4,559,186	2,208,962	–	–	–	–	95,786	6,863,934
Others	450,549	–	(38,230)	–	–	–	13,773	426,092
	7,584,975	3,163,962	(621,569)	–	(1,134,000)	(400,000)	511,322	9,104,690

The accompanying notes form an integral part of the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 General

The Company is incorporated and domiciled in Singapore with limited liability. It is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office and principal place of business of the Company is 10 Hoe Chiang Road, #01-01/03, Keppel Towers, Singapore 089315.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associated companies are disclosed in Notes 17 and 18 to the financial statements respectively.

The Board of Directors has authorised the financial statements for issue on the date of the Directors' Statement.

2 Significant Accounting Policies

(a) Going Concern

The Group incurred a net loss and total comprehensive loss of S$5,176,256 and S$6,383,285 (2016: net loss and total comprehensive loss of S$36,546,311 and S$37,819,115) respectively for the financial year ended 31 December 2017. As at 31 December 2017, the Group's and the Company's current liabilities exceeded their current assets by S$38,436,895 (2016: S$40,173,540) and S$32,879,319 (2016: S$32,036,981) respectively, and the Group and the Company have a net deficit in shareholders' funds of S$40,290,956 (2016: S$35,441,671) and S$32,787,327 (2016: S$30,030,046) respectively.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as a going concern and therefore they may not be able to realise their assets and discharge their liabilities in the normal course of business.

Nevertheless, in the preparation of the financial statements, the directors of the Company believe that the use of the going concern assumption is appropriate after taking into consideration the following factors:

(i) Management is in discussion with the Group's major creditors on the restructuring of debts and to defer the settlement of the Group's outstanding liabilities until the Group is in a favourable cash position to repay these liabilities. The Group is working towards the settlement with its major creditors and based on on-going discussions, management is confident that a mutually acceptable solution can be achieved;

2 Significant Accounting Policies (cont'd)

(a) Going Concern (cont'd)

(ii) The Company has entered into a subscription agreement dated 2 October 2015 with a third party and obtained shareholders' approval for the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018, with an aggregate principal amount of S$50,000,000 in eight tranches. At the date of this report, the Company has issued the sub-tranches of tranche 1 notes with aggregate principal value of S$1,250,000 and converted these notes with principal value of S$400,000 into 141,203,703 ordinary shares. Subsequent to year end, the Group obtained a confirmation letter from the third party to agree and confirm that they shall not terminate the subscription agreement and shall continue to fund the Company through the subscription to the convertible notes, with the remaining principal amount that is available for subscription under the subscription agreement of S$48,750,000, on the condition that trading of the Company's shares resumes;

(iii) The Company is involved in ongoing legal proceedings under the Singapore High Court brought by Phillip Asia Pacific Opportunity Fund Ltd. ("Phillip Asia"). The Company has reached a settlement with Phillip Asia and entered into a deed of settlement with Phillip Asia as announced by the Company on 18 May 2018. Both parties have mutually agreed, amongst others, that as full and final settlement of the Suit in the Singapore High Court and all amounts due and owing, as well as all issues arising under the redeemable secured notes agreement with Phillip Asia and the corporate guarantee, the Company shall make an aggregate payment of S$2,000,000 to Phillip Asia via the drawdown from the redeemable structured convertible notes, with the remaining final settlement made on completion of a proposed reverse takeover exercise to be undertaken by the Company or on 31 December 2018, whichever is earlier; and

(iv) The Company is seeking an application to the SGX-ST to lift the suspension of the Company's shares and to resume trading.

Based on the above-mentioned measures the Group is taking, the Board has reasonable grounds to believe that the Group will have adequate resources to continue its operations for the foreseeable future. For these reasons, the Company continues to adopt the going concern basis of accounting in the preparation of the annual financial statements.

2 Significant Accounting Policies (cont'd)

(b) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company are prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the provisions of the Singapore Companies Act, Chapter 50. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Application of New/Revised Financial Reporting Standards ("FRSs") effective for annual period beginning on or after 1 January 2017

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any effect on the financial performance or financial position of the Group and the Company.

Amendments to FRS 7 *Statement of Cash Flows*

The amendments require new disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities in respect of:

(a) Changes from financing cash flows;

(b) Changes arising from obtaining or losing control of subsidiaries or other businesses;

(c) The effect of changes in foreign exchange rates;

(d) Changes in fair values; and

(e) Other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities. Comparatives are not required in the first year of adoption.

As this is a disclosure requirement, the application of this amendment has had no impact on the Group's consolidated financial statements. The above information is provided under consolidated statement of cash flows.

2 Summary of Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrecognised Losses*

The amendments to FRS 12 *Recognition of deferred tax assets for unrealised losses* clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments to FRS 12 is effective for annual periods beginning on or after 1 January 2017. Management has reassessed all unrealised losses on debt instruments measured at fair value and there is no material impact.

FRSs and INT FRSs issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and Company but not yet effective:

		Effective for accounting periods beginning on or after
FRS 109	*Financial Instruments*	1 January 2018
FRS 115	*Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 102	*Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to FRS 40	*Investment Property*	1 January 2018
INT FRS 122	*Foreign Currency Transactions and Advance Consideration*	1 January 2018
Improvements to FRSs (December 2016)		1 January 2018
- FRS 101	*First-time Adoption of International Financial Reporting Standards*	
- FRS 28	*Investments in Associates and Joint Ventures*	
FRS 116	*Leases*	1 January 2019
INT FRS 123	*Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 110 and FRS 28	*Investments in Associates and Joint Ventures - Sale or contribution of assets between an investor and its associate or joint venture*	Deferred indefinitely, early application is still permitted

Except for amendments to FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2 Summary of Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

FRSs and INT FRSs issued but not yet effective (cont'd)

FRS 109 *Financial Instruments*

FRS 109 was introduced to replace FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. FRS 109 also provides a simplified hedge accounting model that will align more closely with companies' risk management strategies. FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is generally required, except that hedge accounting requirements are, with limited exemptions, applied prospectively. Comparative information need not be restated.

The Group does not expect to reclassify any material financial assets and liabilities as a result of the application of FRS 109.

Trade, contract and lease receivables

The Group plans to apply the simplified impairment approach to recognise only lifetime expected credit losses ("ECL") impairment charges on all trade receivables and other contract assets that arise from FRS 115, as well as lease receivables. The Group does not expect a resulting significant change in aggregate impairment allowance on these receivables.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). FRS 115 replaces the previous revenue standards, FRS 18 *Revenue* and FRS 11 *Construction Contracts*, and the related interpretations on revenue recognition, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers*, and INT FRS 31 *Revenue - Barter Transactions Involving Advertising Services*.

2 Summary of Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

FRSs and INT FRSs issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers* (cont'd)

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

Management is of the view that the adoption of FRS 115 is not expected to have a significant financial impact on the financial performance or the financial position of the Group, but will have necessary disclosures to be present in the financial statements.

FRS 116 *Leases*

FRS 116 *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases - Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

FRS 116 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted for companies but only if it also apply FRS 115 *Revenue from Contracts with Customers* at or before the date of initial application of FRS 116. Management is currently evaluating the impact of FRS 116 on the financial statements on adoption of this standard.

2 Summary of Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

FRSs and INT FRSs issued but not yet effective (cont'd)

Convergence with International Financial Reporting Standards (IFRS)

Singapore-incorporated companies listed on the Singapore Exchange (SGX) are required to apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's assessment, the Group expects that the impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this note.

Other than the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework. The Group will reassess the accounting policies adopted by the Group in accordance with IFRS and SFRS, and based on the Group's preliminary assessment, there are no material textual differences between these accounting standards.

(c) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 **Significant Accounting Policies** (cont'd)

(c) Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. In business combinations achieved in stages, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the consolidated statement of financial position. The accounting policy for goodwill is set out in Note 2(d). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

<u>Disposals of subsidiaries or businesses</u>

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific FRS.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" in Note 2(h) for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(ii) Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(iii) Associates

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investment in associates are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associates in the consolidated statement of financial position includes goodwill (net of any accumulated impairment losses) identified on acquisition and is assessed for impairment as part of the investment.

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

(iii) Associates (cont'd)

Investment in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associates' post-acquisition profits or losses (including impairment losses) are recognised in the income statement as "share of profit/(loss) of associated companies" and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associates, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associates.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the equity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value and any proceeds from disposal is recognised in the income statement.

Gains or losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in the income statement.

(d) Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired. Goodwill on acquisition of associated companies is included in the carrying amount of the investments.

Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets and liabilities exceeds the consideration transferred and the non-controlling interest in the acquiree, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is recognised as an income immediately.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of profit and loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(u).

2 Significant Accounting Policies (cont'd)

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances and fixed deposits with banks but exclude those amounts that were pledged to secure banking facilities granted to the Group, if any.

(f) Financial Assets

(i) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other assets excluding prepayments and tax recoverable", "amounts due from subsidiaries", "loan receivable" and "cash and bank balances" on the statements of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on a trade-date basis - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On the disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(iv) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. The fair value measurement considerations of the Group are disclosed in Note 2(g). Equity instrument that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets, at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in profit or loss. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes. The currency translation differences resulting from changes in amortised cost of the asset are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(v) Impairment (cont'd)

Loans and receivables (cont'd)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the equity security below its cost and the disappearance of an active trading market for the security because of financial difficulties are objective evidence that the security is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(g) Fair Value Estimation of Financial Assets and Liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are current bid prices.

The fair values of financial instruments that are not traded in an active market are determined by using a variety of methods and assumptions based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments. However, if the probabilities of various estimates cannot be reasonably measured, the Group is precluded from measuring the instruments at fair value, and the financial instruments are measured at cost.

2 Significant Accounting Policies (cont'd)

(h) Investments in Subsidiaries and Associated Companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On the disposal of investments in subsidiaries and associated companies, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is calculated on a straight-line basis to write-off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Motor vehicles	-	5 years
Leasehold improvements	-	Over the terms of the lease of 3 years
Office furniture and equipment	-	3 to 10 years

Subsequent expenditure relating to property, plant and equipment that has already been recognised, is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The residual values, useful lives and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the item of property, plant and equipment.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

(j) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, are stated at cost less accumulated depreciation. The costs of the investment properties are the amount of cash or cash equivalent given to acquire the asset. Depreciation is calculated based on a straight line basis over the remaining leasehold period of 54 years.

2 Significant Accounting Policies (cont'd)

(k) Intangible Assets

Franchise Fees

Acquired franchise fees are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the franchise fees over their useful lives of five to six years (2016: five years).

Content License Fees

Acquired content license fees are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the content license fees over their estimated useful lives of two to six years.

Production Costs

Costs of producing media content are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the production has been completed and is ready for distribution. Amortisation is calculated using the straight-line method to allocate the cost of the production fees over their estimated useful lives based on the contract period that the production is expected to generate cash inflows.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision of the amortisation period or amortisation method are included in profit or loss for the financial year in which the changes arise.

(l) Impairment of Non-Financial Assets

(i) Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

2 **Significant Accounting Policies** (cont'd)

(l) Impairment of Non-Financial Assets (cont'd)

(i) *Goodwill* (cont'd)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(ii) *Property, plant and equipment*
Investment properties
Intangible assets
Investments in subsidiaries and associated companies

Property, plant and equipment, investment properties, intangible assets and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(m) Financial Liabilities

An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liability is recognised initially at fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Financial liabilities are classified as either "financial liability, at fair value through profit or loss" or "other financial liabilities".

Financial liability, at fair value through profit or loss ("FVTPL")

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b. the financial liability forms part of a Group of financial assets of financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liability, at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other operating income in the consolidated statement of comprehensive income. Fair value is determined in the manner described in Note 37(b).

Other financial liabilities

Other financial liabilities (including trade and other payables and borrowings), are initially measured at fair value, plus transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

2 Significant Accounting Policies (cont'd)

(m) Financial Liabilities (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

(n) Leases

(i) When the Group is the lessee:

The Group leases certain property, plant and equipment from third parties.

Finance leases

Leases of property, plant and equipment where the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair values of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is recognised in profit or loss and allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

Contingent rents are recognised as an expense in profit or loss when incurred. Rental costs under operating leases are charged to profit or loss on a straight-line basis over the period of the leases.

2 Significant Accounting Policies (cont'd)

(n) Leases (cont'd)

(ii) When the Group is the lessor:

The Group leases out certain investment properties to third parties.

Operating leases

Assets leased out under operating leases are included in investment properties.

Rental income from operating leases (net of any incentives given to the lessees) are recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

(o) Financial Guarantees

Financial guarantees are initially recognised at their fair values plus transaction costs in the statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the guarantee, unless it is probable that the Group will repay amounts higher than the unamortised amounts. In this case, the financial guarantees shall be carried at the expected amounts payable by the Group in the statement of financial position.

(p) Borrowings and Borrowing Costs

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs are charged to profit or loss when incurred.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

2 Significant Accounting Policies (cont'd)

(q) Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. This includes the government managed retirement benefit plan such as the Central Provident Fund in Singapore. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is a constructive obligation based on past practice.

(r) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(s) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is recognised as follows:

(i) Revenue from rendering of services

Revenue from investment management and financial advisory services are recognised when the services are rendered in accordance with the terms of contractual agreements.

(ii) Interest income

Interest income is recognised on a time-proportion basis that takes into account the effective yield on the asset.

(iii) Media sales

Revenue from rendering of distribution and production of media related services and products are recognised when the significant risk and rewards of ownership of the products have been transferred to the customer.

(iv) School fees

School fees from rendering childcare services are recognised over the duration of the programs. Amounts of fees relating to future periods are included in deferred revenue.

2 Significant Accounting Policies (cont'd)

(t) Income Tax

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date; and

- based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(u) Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("presentation currency"), which is the Company's functional and presentation currency.

2 Significant Accounting Policies (cont'd)

(u) Currency Translation (cont'd)

(ii) Transactions and balances

Transactions in currencies other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and a net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(iii) Translation of Group entities' financial statements

The results and financial position of Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities are translated at the closing exchange rate at the financial reporting date;

(2) Income and expenses for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) are all translated at exchange rate at the dates of the transactions;

(3) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity. These currency translation differences are reclassified to profit or loss on disposal or partial disposal (i.e. loss of control) of the entity giving rise to such reserve; and

(4) Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate at the reporting date.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2 Significant Accounting Policies (cont'd)

(w) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(x) Investment Properties Held for Sale

Non-current assets are classified as held for sale or distribution if their carrying amount will be recovered through a sale transaction or distribution rather than through continuing use. This condition is regarded as met only when the sale is highly probable and asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less cost to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(y) Redeemable Preference Shares

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities.

(z) Convertible Notes

The total proceeds from convertible notes issued are allocated to the liability component and the equity component, which are separately presented on the statement of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible notes. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the notes.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to accumulated losses.

2 Significant Accounting Policies (cont'd)

(aa) Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

i. has control or joint control over the Company;

ii. has significant influence over the Company; or

iii. is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

i. the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

iii. both entities are joint ventures of the same third party;

iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v. the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

vi. the entity is controlled or jointly controlled by a person identified in (a);

vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgements in Applying the Group's Accounting Policies

(i) *Impairment of loans and receivables*

Management assesses at each balance sheet date whether there is any evidence that loans and receivables are impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectible. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of insolvency, current economic trends and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables including loan receivable at the balance sheet date. The carrying amount of the Group's and Company's loans and receivables as at 31 December 2017 was S$5,437,918 and S$5,049,496 respectively (2016: S$2,924,850 and S$6,514,685) (Notes 15, 16, 22 and 23).

The Group and the Company recognised in profit or loss impairment losses amounting to S$965,811 and S$6,354,298 respectively (2016: Nil and S$7,707,912) during the current financial year (Notes 15, 16, 22 and 23). The Group wrote back an impairment loss on trade and other receivables amounting to S$100,000 during the previous financial year (Notes 15 and 16).

(ii) *Impairment of financial assets, available-for-sale*

The Group reviews its debt securities classified as available-for-sale investments at each balance sheet date to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the financial health and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

For the financial year ended 31 December 2017, no impairment loss was recognised for available-for-sale financial assets. For the financial year ended 31 December 2016, impairment loss of S$36,302 was recognised. The carrying amount of financial assets, available-for-sale as at 31 December 2017 was S$2 (2016: S$3,738,005). Further details are given in Note 14 to the financial statements.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical Judgements in Applying the Group's Accounting Policies (cont'd)

(iii) *Impairment of goodwill*

The Group tests goodwill for impairment annually in accordance with the accounting policy as disclosed in Note 2(l)(i). The recoverable amounts of cash-generating units ("CGUs") have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. Changes to the estimates and assumptions will result in changes in the carrying values of goodwill arising from the acquisition of business.

During the previous financial year, the Group made an impairment of S$5,772,203 to profit or loss. The carrying amount of goodwill was Nil as it has been fully impaired in 2016.

(iv) *Impairment of investment properties*

The Group reviews the carrying amount of investment properties at each reporting date to determine whether there is any indication of impairment. In determining whether there is any indication of impairment, the Company considers factors such as the overall economic environment in which the Group operates and periodic review of the physical wear and tear, technical or commercial obsolescence on the use of the investment properties. An impairment exists when the carrying value of investment properties exceeds its recoverable amount. The Group determines the recoverable amount using the basis of the fair value less costs to sell calculation obtained from available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

During the current financial year, the Group entered into an Option to Purchase with an external party for the disposal of its investment properties at 65 Tiong Poh Road #01-32 Singapore 160065 and 65 Tiong Poh Road #02-32 Singapore 160065 for an aggregate consideration of S$2.05 million.

Accordingly, the Group recognised an impairment loss of S$101,943 (2016: Nil) during the current financial year to adjust the carrying amount of the investment properties to the fair value consideration of S$2,050,001 (Note 20(a)). The fair value was classified under Level 3 of the Fair Value Hierarchy (Note 37(b)).

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical Judgements in Applying the Group's Accounting Policies (cont'd)

(v) *Impairment of intangible assets*

Intangible assets are tested for impairment whenever there is any evidence or indication that these assets may be impaired. The Group tests intangible assets for impairment in accordance with the accounting policy as disclosed in Note 2(l)(ii). The recoverable amount is determined as an individual asset basic unless the asset does not generate cash flows that are largely independent of those from other assets.

During the current financial year, the Group recognised impairment losses amounting to S$1,407,278 (2016: S$1,527,547 from content licenses and productions) from Hi-5 franchises in Malaysia and Indonesia which have yet to commence operations.

(vi) *Impairment of investments in associated companies*

Investments in associated companies are tested for impairment whenever there is any evidence or indication that these assets may be impaired.

As at 31 December 2017, the Group performed an impairment test for the investments in associated companies as they continued to incur operating losses. Based on the assessment, the Group recognised an impairment loss of S$1,113,158 (2016: S$1,645,807) as at 31 December 2017, representing the write down of the investments in associated companies to their estimated recoverable amount, which was Nil.

The recoverable amount of the investments in the associated companies as at 31 December 2017 was determined based on fair value less costs of disposal. The market price is used to determine the fair value less costs of disposals for quoted equity shares of one of the associated companies. However, the carrying amount of the investment of this associated company is further impaired to Nil due to a proposed restructuring exercise of the said associated company, in relation to its ability to continue as a going concern, which the outcome is inherently uncertain. The carrying amount of the Group's investments in associated companies as at 31 December 2017 was Nil (2016: S$1,922,726) (Note 18).

(vii) *Impairment of investments in subsidiaries*

The Company assesses at each balance sheet date whether there is any objective evidence that the investments in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance and financial position, changes in customer demand, consumer tastes and trends, and the overall economic environment.

The carrying amounts of the Company's investments in subsidiaries as at the balance sheet date and the movement in the allowance for impairment loss is disclosed in Note 17.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(b) Critical Accounting Estimates and Assumptions

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) *Fair value measurements and valuation processes*

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The valuation is assessed by the Managing Director, in consultation with the Board of Directors, to determine and apply the appropriate valuation methodologies for fair value measurements.

In estimating the fair value of assets or liabilities, the Group utilises verifiable methodologies which includes market-observable data to the extent it is available. Where inputs are not available, the Group engages third party qualified valuers to perform the valuation. The finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group will take into account the third-party valuation report when making its determination of an asset's or liability's fair market value.

The finance team will review fair value determinations regularly on a quarterly to yearly basis depending on the nature of the assets or liabilities. The Managing Director reports the finance team's findings to the Board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 37(b).

4 Revenue

	Group	
	2017	**2016**
	S$	**S$**
Investment management income	1,532,294	1,607,445
Media sales	267,272	590,982
School fees	516,363	134,556
	2,315,929	2,332,983

5 Other Income

	Group 2017	Group 2016
	S$	S$
Foreign currency exchange gain	862,130	–
Fair value gain on financial liability, at fair value through profit or loss	333,471	1,477,133
Gain on disposal of financial assets, available-for-sale	–	523,288
Gain on disposal of property, plant and equipment	125	193
Performance incentive fee	–	21,855
PIC bonus and cash payout	7,960	60,170
Rental income	91,200	44,500
Waiver of loan and interest payable	–	6,260,565
Write back of impairment loss on trade receivables (Note 15)	–	100,000
Write back of other payables and accruals	189,572	–
Write back of financial guarantee contract (Note 16)	2,684,685	–
Others	4,400	17,019
	4,173,543	8,504,723

During the current financial year, the Group recognised an amount of S$2,684,685 as a write back of a financial guarantee contract, which is the increase in the amount of the estimated counter indemnity recoverable from a former subsidiary amounting to S$5,040,079, as compared to the previous financial year of S$2,355,394 (Note 16).

6 Other Expenses

	Group	
	2017	2016
	S$	S$ (Restated)
Foreign currency exchange loss	–	178,813
Financial guarantee expense	–	6,381,372
Impairment loss on investment properties, classified as held for sale (Note 20)	101,943	–
Impairment loss on investments in associated companies	1,113,158	–
Impairment loss on financial assets, available-for-sale (Note 14)	–	36,302
Net loss on disposal of financial assets, available-for-sale (Note 14)	2,813,494	–
Impairment loss on goodwill (Note 24)	–	5,772,203
Impairment loss on intangible assets (Note 21)	1,407,278	1,527,547
Impairment loss on trade receivables (Note 15)	77,238	–
Impairment loss on other receivables (Note 16)	954,600	–
Write off of property, plant and equipment (Note 19)	–	256,316
Reinstatement cost	–	126,075
Put options liabilities (Note 27)	–	24,500,000
Others	1,804	1,680
	6,469,515	38,780,308

During the previous financial year, the Group recognised an amount of S$6,381,372 as financial guarantee expense, which is the net amount of the estimated counter indemnity recoverable from a former subsidiary amounting to S$2,355,394 (Note 16) and the provision for financial guarantee amounting to S$8,736,766 (Note 26).

7 Finance Income

	Group	
	2017	2016
	S$	S$
Interest income from:		
- Bank and fixed deposits	344	957

8 Finance Costs

	Group	
	2017	2016
	S$	S$
Interest expense on:		
- Borrowings	26,419	99,157
- Advances from related parties	111,326	111,623
- Advances from a fund managed by the Group	5,910	62,090
- Advances from a third party	68,667	63,533
- Accreted interest on convertible notes (Note 30(c))	299,000	–
	511,322	336,403

9 Employee Benefits Expense

	Group	
	2017	2016
	S$	S$
Employees benefits expenses including directors' remuneration and fees	1,537,211	1,709,655
Contributions to defined contribution plans	140,133	185,747
	1,677,344	1,895,402

10 Loss before Tax

	Group	
	2017	2016
	S$	S$
This was arrived at after charging:		
Amortisation of intangible assets (included in cost of sales) (Note 21)	190,722	1,488,013
Administrative expenses:		
- Depreciation of property, plant and equipment (Note 19)	284,205	367,531
- Depreciation of investment properties (Note 20)	–	43,704
- Audit fees paid/payable to auditor of the Company	79,654	131,503
- Audit fees paid/payable to other auditors	4,142	7,163
- Rental of premises - operating leases	566,665	642,720
- Fund advisory fee	33,973	–
- Management fees	395,750	445,750

No non-audit fees were paid to the auditor of the Company in 2017 and 2016.

11 Income Tax Benefit

	Group	
	2017	2016
	S$	S$
Income tax benefit on results for the year consists of:		
Current income tax		
- Under/(over) provision in prior years	14,384	(994)
Withholding tax	–	254
Income tax benefit recognised in profit or loss	14,384	(740)

11 Income Tax Benefit (cont'd)

Income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2016: 17%) to loss before income tax as a result of the following differences:

	Group	
	2017	**2016**
	S$	**S$**
Loss before tax	(5,161,872)	(36,547,051)
Less: Share of loss of associated companies	(541,134)	(2,335,498)
	(4,620,738)	(34,211,553)
Income tax benefit at a statutory rate of 17% (2016: 17%)	(785,527)	(5,815,964)
Non-taxable items	(451,365)	(1,411,435)
Non-deductible items	952,623	6,768,299
PIC enhanced capital allowances	–	(117,570)
Utilisation of deferred tax asset, net	(65,072)	(54,792)
Unrecognised deferred tax assets	355,048	630,616
Under/(over) provision of current income tax in prior year	14,384	(994)
Effect of different tax rates in other countries	(5,707)	846
Withholding tax, net of foreign tax credit	–	254
Tax benefit	14,384	(740)

As at the balance sheet date, the Group has unutilised tax losses and capital allowances amounting to approximately S$7,998,000 and S$123,000 (2016: S$6,274,000 and S$119,000) respectively, available for offsetting against future taxable income. The related tax benefits of approximately S$1,450,000 (2016: S$1,140,000) arising from these unutilised tax losses and capital allowances have not been recognised in the financial statements as there is no reasonable certainty of their realisation in the future periods, in accordance with the accounting policy as stated in Note 2(t) to the financial statements. The availability of the unabsorbed tax losses and capital allowances for set off against future taxable income is subject to the tax regulations of the respective countries in which the Group companies are incorporated and approval by the relevant tax authorities.

The non-deductible items in the current financial year mainly relate to a net loss on the disposal of financial assets, available-for-sale and impairment of intangible assets and investments in associated companies.

The non-taxable items in the current financial year mainly relate to the write back of financial guarantee contract and fair value gain of financial liability, at fair value through profit or loss.

12 Related Party Transactions

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

(a) In addition to the information disclosed elsewhere in the financial statements, the information on related parties transactions, conducted at terms agreed between the parties, are disclosed as follows:

	Group		**Company**	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Subsidiaries:				
Management fee	–	–	168,000	168,000
Related parties:				
Investment management income	363,544	377,195	–	–
Proceeds from borrowings	205,000	30,000	–	–
Interest expense	111,326	111,623	95,786	110,603
Management and consultancy fees	456,750	455,750	–	–
Acquisition of intangible assets	1,498,000	500,000	–	–
Fund managed by the Group:				
Investment management income	1,168,750	1,226,250	–	–
Proceeds from borrowings	–	600,000	–	–
Interest expense	5,910	62,090	–	–

(b) Compensation of Key Management Personnel

	Group	
	2017	**2016**
	S$	**S$**
Directors' fees	90,000	79,194
Salaries and other short-term employee benefits	335,000	657,515
Contributions to defined contribution plan	20,700	41,220

12 Related Party Transactions (cont'd)

(b) Compensation of Key Management Personnel (cont'd)

The above amounts are included under employee benefits expenses (Note 9). Included in the salaries and other short-term employee benefits is the remuneration for one of the directors of S$69,000 (2016: Nil).

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly.

(c) Directors' Remuneration

The following information relates to the remuneration of directors of the Company during the financial year:

	Company	
	2017	**2016**
Number of directors of the Company in remuneration bands:		
- Below S$250,000	4	4
Total	4	4

13 Cash and Cash Equivalents

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Cash in banks	315,652	512,950	213,591	110,737
Cash on hand	2,847	4,274	–	–
	318,499	517,224	213,591	110,737

14 Financial Assets, Available-for-Sale

	Group 2017	Group 2016
	S$	S$
Beginning of the financial year	3,738,005	5,382,060
Disposals	(3,738,003)	(350,657)
Net fair value loss recognised in other comprehensive income	–	(1,257,096)
Impairment losses recognised in profit or loss (Note 6)	–	(36,302)
At the end of the financial year	2	3,738,005
Less: Current portion	–	–
Non-current portion	2	3,738,005

	Group 2017	Group 2016
	S$	S$
Financial assets, available-for-sale are analysed as follows:		
Unquoted:		
- At cost*		
Debt securities	2	2
Equity shares	–	26,408
- At fair value		
Equity participation	–	3,711,595
	2	3,738,005
Comprises:		
- Direct investments	–	26,408
- Investment in funds	2	3,711,597
	2	3,738,005

* Fair value information has not been disclosed for the Group's financial assets, available-for-sale that are carried at cost because fair value of this equity security cannot be measured reliably. These securities are not quoted on any market and there were also no recent observable arm's length transactions in the shares.

Investment in the funds represent the financial assets, available-for-sale, placed with Dragonrider Opportunity Fund L.P. (referred to as the "Funds").

14 Financial Assets, Available-for-Sale (cont'd)

During the current financial year, the Group disposed the unquoted equity shares of S$26,408 and investment in TAP Harimau Fund L.P. of S$3,711,595 as follows:

	2017
	S$
Proceeds from disposal of financial assets, available-for-sale	1
Carrying amount of disposals	(3,738,003)
Fair value gains recycled to profit or loss upon de-recognition	924,508
Net loss on disposal of financial assets, available-for-sale (Note 6)	(2,813,494)

During the previous financial year, the Group recognised an impairment loss of S$36,302 for unquoted equity instruments as there were "significant" or "prolonged" decline in the fair value of these investments below cost. The Group treats "significant" generally as 20% and "prolonged" as greater than 6 months.

15 Trade Receivables

	Group	
	2017	2016
	S$	S$
Trade receivables	284,945	309,199
Less: Allowance for impairment losses	(284,945)	(224,754)
	–	84,445

The average credit period granted to trade receivable customers, excluding all items provided for, ranges from 60 to 90 days.

Movements in the allowance for impairment account are as follows:

	Group	
	2017	2016
	S$	S$
At 1 January	224,754	331,889
Charge to profit or loss (Note 6)	77,238	–
Write back of impairment loss (Note 5)	–	(100,000)
Currency alignment	(17,047)	(7,135)
At 31 December	284,945	224,754

16 Other Assets

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Current Assets				
Amounts due from the Funds	2,647,644	2,754,565	–	–
Amounts due from related parties	1,257,521	518,578	459,009	440,835
Amounts due from a former subsidiary	5,040,079	2,355,394	5,040,079	2,355,394
Amounts due from investee companies	13,500	13,500	–	–
Loan to investee company	1,350,000	1,350,000	–	–
Accrued interest and dividend receivable from investee companies	2,583,414	2,583,414	–	–
Deposits	87,585	87,487	86,088	79,746
Others	6,971	44,925	–	–
Total other receivables	12,986,714	9,707,863	5,585,176	2,875,975
Less: Allowance for impairment losses	(7,667,809)	(6,986,471)	(535,680)	(307,333)
	5,318,905	2,721,392	5,049,496	2,568,642
Prepayments	213,121	423,489	15,509	15,612
Less: Allowance for impairment losses	(66,027)	–	–	–
	147,094	423,489	15,509	15,612
	5,465,999	3,144,881	5,065,005	2,584,254
Non-current Assets				
Deposits	119,013	119,013	–	–

The loan due from an investee company amounting to S$1,350,000 (2016: S$1,350,000) is secured by personal guarantees of the investee company's directors. The loan carried an interest of 10% per annum (2016: 10% per annum) but has not been recorded by the Group on the basis that full impairment has been provided for this loan as at 31 December 2017.

The amounts due from funds, related parties, and former subsidiary are unsecured, non-trade in nature, interest free and repayable on demand.

The amount due from a former subsidiary amounting to S$5,040,079 (2016: S$2,355,394) represents the estimated counter indemnity recoverable from the former subsidiary pursuant to the financial guarantee (Note 26), as the Group has an equivalent amount due to the former subsidiary included in trade and other payables (Note 25). No impairment is made on this amount due from a former subsidiary on this basis.

16 Other Assets (cont'd)

Accordingly, the movement of the amount due from a former subsidiary of S$2,684,685 has been taken up as "write back of financial guarantee contract" (Note 5).

Movements in the allowance for impairment account are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
At 1 January	6,986,471	6,925,264	307,333	307,333
Charge to profit or loss (Note 6)	954,600	–	228,347	–
Currency alignment	(207,235)	61,207	–	–
At 31 December	7,733,836	6,986,471	535,680	307,333

17 Investments in Subsidiaries

	Company	
	2017	2016
	S$	S$
Unquoted equity shares at cost		
At the beginning and the end of the financial year	1,956,033	1,956,033
Less: Allowance for impairment loss		
Balance at the beginning of the year	(1,814,535)	(1,814,535)
Impairment loss during the year	(141,493)	–
Balance at the end of the year	(1,956,028)	(1,814,535)
	5	141,498

Impairment testing of Investments in Subsidiaries

During the current financial year, management performed an impairment test for certain subsidiaries in view of the operating losses incurred for the year and net tangible liabilities reported as at 31 December 2017. An impairment loss of S$1,956,028 (2016: S$1,814,535) was recognised as the carrying amounts of the investments exceeded the recoverable amounts. The recoverable amounts of the investments in these subsidiaries have been determined based on management's assessment of the fair value of the subsidiaries' monetary assets and liabilities as at the financial year end, which is the fair value less costs of disposal approach. The measurement is categorised as a level 3 fair value, as defined in Note 37(b).

17 Investments in Subsidiaries (cont'd)

The subsidiaries held by the Company are as follows:

Name of subsidiary, country of incorporation, place of operation and principal activity	**Effective interest held by the Group**	
	2017	**2016**
	%	**%**
<u>Held by the Company</u>		
Attilan Investment Ltd., British Virgin Islands [(a)] *Investment holding*	100	100
TAP Partners Sdn. Bhd., Malaysia [(b)] *Alternative asset investment and management*	100	100
TAP Private Equity Inc, Cayman Islands [(a)] *Alternative asset investment and management*	100	100
TAP Private Equity Pte. Ltd. Singapore [(c)] *Fund management*	100	100
HOL International Pte. Ltd., Singapore [(c)] *Infant care and child care*	70	70
<u>Held by Attilan Investment Ltd.</u>		
Attilan Ventures Pte. Ltd., Singapore [(c)] *Investment holding*	100	100
Attilan Investment (Thailand) Sdn. Bhd., Malaysia [(b)] *Investment holding*	100	100
Posh Corridor Sdn. Bhd., Malaysia [(d)] *Investment holding*	100	100
Vibrant Coast Management Ltd, British Virgin Islands [(a)] *Investment holding*	100	100
Hub Media Group Pte. Ltd., Singapore [(c)] *Media distribution, licensing and content production services*	100	100

17 Investments in Subsidiaries (cont'd)

[a] Statutory audit not required in its country of incorporation. Reviewed by Moore Stephens LLP for consolidation purposes.

[b] Audited by Moore Stephens Associates PLT, Malaysia, a member of Moore Stephens International Limited.

[c] Audited by Moore Stephens LLP, Singapore.

[d] Audited by UHY, Chartered Accountants, Malaysia.

The Group has the following subsidiary that has a material non-controlling interest:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2017	2016	2017	2016	2017	2016
HOL International Pte. Ltd.("HOL")	Singapore	30%	30%	(718,794)	(299,242)	(993,564)	(274,770)

Summarised financial information in respect of the Group's subsidiary, HOL, which has material non-controlling interests, is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2017	2016
	S$	S$
Current assets	17,743	53,637
Non-current assets	686,463	962,345
Current liabilities	(3,919,365)	(1,835,160)
Non-current liabilities	(96,720)	(96,720)
Equity attributable to owners of the Company	(2,318,315)	(641,128)
Non-controlling interests	(993,564)	(274,770)
Revenue	516,363	134,556
Expenses	(2,912,344)	(1,132,029)
Net loss and total comprehensive loss for the year	(2,395,981)	(997,473)
Net loss and total comprehensive loss attributable to:		
Owners of the Company	(1,677,187)	(698,231)
Non-controlling interests	(718,794)	(299,242)
	(2,395,981)	(997,473)
Net cash outflow from operating activities	(456,563)	(614,674)
Net cash outflow from investing activities	(1,498,000)	(430,926)
Net cash inflow from financing activities	1,964,027	1,045,615
Net cash inflow	9,464	15

18 Investments in Associated Companies

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Quoted equity shares, at cost	24,754,260	24,754,260	–	–
Unquoted equity shares	4	4	–	–
	24,754,264	24,754,264	–	–
Less:				
Share of post-acquisition accumulated losses	(6,762,232)	(6,221,098)	–	–
Impairment losses	(16,999,524)	(15,886,366)	–	–
Currency translation difference	(992,508)	(724,074)	–	–
	–	1,922,726	–	–
Fair value:				
Quoted equity shares	1,113,158	1,922,722	–	–

As at 31 December 2017, the quoted shares for an investment in an associated company with fair value amounting to S$1,113,158 (2016: S$1,583,990) are pledged to a Fund in respect of a former subsidiary's secured redeemable notes.

Full impairment has been made to the investments in associated companies in view of the continuing operating losses and a proposed restructuring exercise of one of the associated companies, in relation to its ability to continue as a going concern, for which the outcome is inherently uncertain. The trading volume for the quoted entity shares remained low during the financial year ended 31 December 2017.

Details of the associates held by the Group are as follows:

Name of associated company, country of incorporation, place of operation and principal activity	**Effective interest held by the Group**	
	2017	**2016**
	%	**%**
Chaswood Resources Holdings Ltd., Singapore [#] *Restaurant operator and investment holdings*	40.38	40.38

[#] Audited by Moore Stephens LLP, Singapore

18 Investments in Associated Companies (cont'd)

(i) Set out below are the summarised financial information of Chaswood, based on the latest available unaudited financial information announced by Chaswood, which is not adjusted for the percentage of ownership held by the Group:

Summarised statement of financial position

	2017	2016
	S$	S$
Current assets	8,929,100	12,144,953
Non-current assets	15,045,567	24,719,347
Current liabilities	(28,551,077)	(24,309,572)
Non-current liabilities	(3,768,054)	(7,518,135)

Summarised income statement

	2017	2016
	S$	S$
Revenue	44,349,711	55,579,249
Loss for the year	(10,536,930)	(1,718,255)
Other comprehensive loss for the year	(275,530)	(800,320)
Total comprehensive loss for the year	(10,812,460)	(2,518,575)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Chaswood recognised in the consolidated financial statements:

	2017	2016
	S$	S$
Net (liabilities)/assets of the associate attributable to the shareholders	(8,288,205)	5,087,855
Proportion of the Group's ownership in Chaswood	40.38%	40.38%
Interest in Chaswood	(3,346,777)	2,054,476
Adjustments	3,346,777	(131,754)
Carrying amount of the Group's interest in Chaswood	–	1,922,722

19 Property, Plant and Equipment

	Motor vehicles S$	Leasehold improvements S$	Office furniture and equipment S$	Total S$
Group				
2017				
Cost				
At 1 January	210,450	345,645	759,817	1,315,912
Additions	–	–	757	757
Disposals	–	–	(5,897)	(5,897)
Currency alignment	1,278	–	2,672	3,950
At 31 December	211,728	345,645	757,349	1,314,722
Accumulated depreciation				
At 1 January	141,225	96,013	464,305	701,543
Depreciation for the year	34,870	115,215	134,120	284,205
Disposals	–	–	(5,554)	(5,554)
Currency alignment	1,192	–	2,637	3,829
At 31 December	177,287	211,228	595,508	984,023
Net book value				
At 31 December	34,441	134,417	161,841	330,699
2016				
Cost				
At 1 January	211,806	613,328	571,483	1,396,617
Additions	–	345,645	191,418	537,063
Disposals	–	–	(240)	(240)
Written-off	–	(613,328)	–	(613,328)
Currency alignment	(1,356)	–	(2,844)	(4,200)
At 31 December	210,450	345,645	759,817	1,315,912
Accumulated depreciation				
At 1 January	106,807	247,162	341,137	695,106
Depreciation for the year	35,531	205,863	126,137	367,531
Disposals	–	–	(193)	(193)
Written-off	–	(357,012)	–	(357,012)
Currency alignment	(1,113)	–	(2,776)	(3,889)
At 31 December	141,225	96,013	464,305	701,543
Net book value				
At 31 December	69,225	249,632	295,512	614,369

19 Property, Plant and Equipment (cont'd)

	Motor vehicles	Leasehold improvements	Office furniture and equipment	Total
	S$	S$	S$	S$
Company				
2017				
Cost				
At 1 January	148,000	–	391,276	539,276
Disposals	–	–	(2,440)	(2,440)
Written-off	–	–	–	–
At 31 December	148,000	–	388,836	536,836
Accumulated depreciation				
At 1 January	96,000	–	268,181	364,181
Depreciation for the year	24,000	–	52,755	76,755
Disposals	–	–	(2,440)	(2,440)
Written-off	–	–	–	–
At 31 December	120,000	–	318,496	438,496
Net book value				
At 31 December	28,000	–	70,340	98,340
2016				
Cost				
At 1 January	148,000	613,328	391,516	1,152,844
Disposals	–	–	(240)	(240)
Written-off	–	(613,328)	–	(613,328)
At 31 December	148,000	–	391,276	539,276
Accumulated depreciation				
At 1 January	72,000	247,162	213,913	533,075
Depreciation for the year	24,000	109,850	54,461	188,311
Disposals	–	–	(193)	(193)
Written-off	–	(357,012)	–	(357,012)
At 31 December	96,000	–	268,181	364,181
Net book value				
At 31 December	52,000	–	123,095	175,095

The carrying amount of property, plant and equipment held under finance lease arrangements for the Group as at 31 December 2017 amounted to S$34,441 (2016: S$69,225).

20 Investment Properties

	2017	2016
	S$	S$
Group		
Cost		
At 1 January and 31 December	2,360,000	2,360,000
Accumulated depreciation		
At 1 January	208,056	164,352
Depreciation for the year	– *	43,704
At 31 December	208,056	208,056
Accumulated impairment		
At 1 January	–	–
Impairment for the year	101,943	–
At 31 December	101,943	–
Transfer to investment properties held for sale (Note 20(a))	(2,050,001)	–
Net book value		
At 31 December	–	2,151,944

* depreciation to cease for investment properties classified as held for sale

The Group has two investment properties as at 31 December 2017 and 31 December 2016.

One property is located at 65 Tiong Poh Road #01-32 Singapore 160065 ("Property 1"). Property 1 is a 99 years leasehold property starting from year 1967. A term loan was obtained by a subsidiary to partially finance the purchase. The loan is secured by property 1 and a financial guarantee given by the Company (Note 20(b)(i)). The cost of investment was S$1,230,000 and the estimated fair value as at 31 December 2017 was S$1,100,000 (2016: S$1,330,000) based on an indicative sale price of Property 1.

Another property is located at 65 Tiong Poh Road #02-32 Singapore 160065 ("Property 2"). Property 2 is a 99 years leasehold property starting from year 1967. Property 2 is held in trust by a related party. A trust agreement is signed between the related party and a subsidiary company where the subsidiary company retains the full rights to Property 2. The subsidiary company makes monthly bank borrowing payments through the related party for the said property (Note 20(b)(ii)). The cost of investment was S$1,130,000 and the estimated fair value as at 31 December 2017 was S$950,001 (2016: S$1,130,000) based on an indicative sale price of Property 2.

Please see Note 20(a) for more information on the valuation of the investment properties.

20 Investment Properties (cont'd)

The following are recognised in profit or loss

	Property 1	Property 2
	S$	S$
2017		
Rental income	51,600	39,600
Direct expenses incurred during periods in which investment properties earned income	21,762	19,992
Direct expenses incurred during periods in which investment properties did not earn income	–	–
2016		
Rental income	30,100	14,400
Direct expenses incurred during periods in which investment properties earned income	33,785	18,526
Direct expenses incurred during periods in which investment properties did not earn income	17,937	33,301

20(a) Investment Properties Held for Sale

	Group	
	2017	2016
	S$	S$
Investment properties held for sale (Note 20)	2,050,001	–

In May 2017, the Group entered into an Option to Purchase agreement with an external party for the disposal of its investment properties at 65 Tiong Poh Road #01-32 Singapore 160065 and 65 Tiong Poh Road #02-32 Singapore 160065 for an aggregate consideration of S$2.05 million. The consideration was arrived at after negotiations on a willing-buyer and willing-seller basis.

The Group reclassified investment properties to held for sale with effect from May 2017.

The valuation of the investment properties is made based on the indicative sale prices of the properties and classified as a fair value level 3 of the Fair Value Hierarchy (Note 37(b)). Impairment of S$101,943 is made during the year as the Group measures the investment properties at the lower of carrying amount and fair value less cost to sell as at 31 December 2017.

20(b) Liabilities Directly Associated with Investment Properties Held for Sale

	Group 2017	Group 2016
	S$	S$
Bank term loans (i)	317,916	–
Others (ii)	426,092	–
	744,008	–

(i) The bank term loan of S$317,916 (2016: S$352,916) is secured by the mortgage of the property at 65 Tiong Poh Road #01-32, Singapore (Note 20), and by a financial guarantee of the Company. The loan is repayable by monthly instalments over a period of 15 years and carries interest at 2.87% (2016: 2.87%) per annum. This bank term loan is repayable immediately upon the sale of the property.

(ii) A subsidiary, Attilan Ventures Pte. Ltd. ("AVPL"), purchased a property at 65 Tiong Poh Road #02-32, Singapore from a related party, who is holding it in trust, as disclosed in Note 20. The property is partly financed by a bank loan taken up by the related party and is secured by the said property. AVPL has a trust agreement with the related party and under the agreement, AVPL will continue to make monthly bank borrowing payments through the related party for a period of 19 years or until the property is disposed of. All benefits with regards to the property such as rental income and any residual disposal benefits belong to AVPL under the trust agreement. This borrowing bears an effective interest rate of 2.94% (2016: 2.94%) per annum.

21 Intangible Assets

	Franchise fees	Content license fees	Production costs	Total
	S$	S$	S$	S$
Group				
2017				
Cost				
At 1 January	500,000	4,536,784	593,636	5,630,420
Additions	1,498,000	–	–	1,498,000
At 31 December	1,998,000	4,536,784	593,636	7,128,420
Accumulated amortisation:				
At 1 January	50,000	3,537,748	–	3,587,748
Amortisation for the year	190,722	–	–	190,722
At 31 December	240,722	3,537,748	–	3,778,470
Accumulated impairment:				
At 1 January	–	999,036	593,636	1,592,672
Impairment loss during the year	1,407,278	–	–	1,407,278
At 31 December	1,407,278	999,036	593,636	2,999,950
Net book value				
At 31 December	350,000	–	–	350,000

21 Intangible Assets (cont'd)

	Franchise fees	Content license fees	Production costs	Total
	S$	S$	S$	S$
2016				
Cost				
At 1 January	–	3,986,409	593,636	4,580,045
Additions	500,000	550,375	–	1,050,375
At 31 December	500,000	4,536,784	593,636	5,630,420
Accumulated amortisation:				
At 1 January	–	2,099,735	–	2,099,735
Amortisation for the year	50,000	1,438,013	–	1,488,013
At 31 December	50,000	3,537,748	–	3,587,748
Accumulated impairment:				
At 1 January	–	–	65,125	65,125
Impairment loss during the year	–	999,036	528,511	1,527,547
At 31 December	–	999,036	593,636	1,592,672
Net book value				
At 31 December	450,000	–	–	450,000

During the current financial year, the Group recognised impairment losses amounting to S$1,407,278 (2016: S$1,527,547 from content licenses and productions) from Hi-5 franchises in Malaysia and Indonesia which have yet to commence operations.

22 Loan Receivable

	Group	
	2017	2016
	S$	S$
Loan receivable	12,552,350	12,552,350
Less: Allowance for impairment loss	(12,552,350)	(12,552,350)
	–	–

The loan receivable from an investee company is unsecured and carries a fixed interest of 12% per annum (2016: 12% per annum) and is not expected to be repaid within the next 12 months.

23 Amounts due from Subsidiaries

	Company	
	2017	2016
	S$	S$
Amounts due from subsidiaries	105,920,316	103,740,408
Less: Allowance for impairment losses	(105,920,316)	(99,794,365)
	–	3,946,043
Presented as:		
Current	–	1,724,608
Non-current	–	2,221,435
	–	3,946,043

The amounts due from subsidiaries are unsecured, non-trade in nature and interest free.

The current amounts due from subsidiaries are repayable on demand.

The non-current amounts due from subsidiaries are an extension of the Company's investments in the subsidiaries and are recognised at cost.

Movements in the allowance for impairment account are as follows:

	Company	
	2017	2016
	S$	S$
At 1 January	99,794,365	92,086,453
Charge to profit or loss	6,125,951	7,707,912
At 31 December	105,920,316	99,794,365

24 Goodwill

	Group	
	2017	2016
	S$	S$
Goodwill	5,772,203	5,772,203
Less: Allowance for impairment losses	(5,772,203)	(5,772,203)
At the end of the year	–	–

24 Goodwill (cont'd)

Movement in the allowance for impairment account is as follows:

	2017	2016
	S$	S$
At 1 January	5,772,203	–
Charge to profit or loss (Note 6)	–	5,772,203
At 31 December	5,772,203	5,772,203

During the previous financial year, the Group made a full impairment loss of S$5,772,203 to write down the Group's goodwill.

25 Trade and Other Payables

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Current:				
Trade payables				
Third parties	534,946	578,852	–	–
Other payables				
Third parties	1,067,364	839,575	286,988	115,726
Subsidiary	–	–	1,726,185	726,697
Former subsidiaries	5,129,039	2,739,076	1,371,651	18,230
Related parties	1,734,895	1,820,110	1,734,895	1,820,110
Deposits received	492,072	290,672	–	–
Deferred revenue	308,382	590,605	–	–
Accrued expenses	2,164,667	2,048,744	423,865	513,917
Others	39,514	41,177	498	1,437
	11,470,879	8,948,811	5,544,082	3,196,117

The amounts due to a subsidiary and related parties (as defined in Note 12) were unsecured, non-trade in nature, interest free and repayable on demand.

Included in amounts due to related parties is an amount of S$919,000 (2016: S$1,100,000) which is unsecured, non-trade in nature and bears interest of 10% per annum and is repayable on demand.

As at 31 December 2017 and 2016, the amounts due to former subsidiaries were unsecured, non-trade in nature, interest free and repayable on demand.

26 Financial Guarantee Contract

	Group and Company	
	2017	**2016**
	S$	**S$**
At the beginning of the year	8,736,766	–
Provision made	–	8,736,766
Currency translation difference	(662,673)	–
At the end of the year	8,074,093	8,736,766

The Company has provided a financial guarantee to a Fund for a former subsidiary's secured redeemable notes. Pursuant to this, the Company entered into an agreement with a former subsidiary to indemnify the Company against all or any losses suffered by the Company as a result of the financial guarantee (Note 16).

During the financial year ended 31 December 2017, the Company received a writ of summons from the Fund to claim for approximately US$6,040,770 pursuant to the financial guarantee provided by the Company. Management has recognised a provision amounting to S$8,074,093 (2016: S$8,736,766) which represents the fair value of management's best estimate of the future economic benefits that would be required to reimburse the Fund.

27 Put Options Liabilities (Restated)

The Group and the Company have recognised a liability of S$24,500,000 as at 31 December 2016 and 2017, relating to the valuation of the put option agreements ("Options") entered into with certain third parties ("Investors"), that provide the Investors with the right to require the Company to acquire their investments in preference shares issued by TAP Venture Fund I Pte. Ltd. ("TAPVF").

TAPVF is a fund company incorporated in Singapore which has issued preference shares to accredited investors and is managed by TAP Private Equity Pte. Ltd., a subsidiary of the Company, which acts as a fund manager.

28 Financial Liability, at Fair Value through Profit or Loss

	Group	
	2017	**2016**
	S$	**S$**
Financial liability, at fair value through profit or loss		
- Debt instrument, at fair value	917,047	1,583,990
Derivative liability, at fair value	1,625,674	1,292,202
	2,542,721	2,876,192

28 Financial Liability, at Fair Value through Profit or Loss (cont'd)

The financial liability arises from the assignment of the Group's Economic Rights on the 33.27% (2016: 33.27%) effective interest in investment in Chaswood Resources Holdings Ltd. ("Chaswood Shares") to a former subsidiary. The assignment entitles the former subsidiary to the right to participate in the proceeds arising from the future sale, disposal and realisation of the Chaswood Shares.

The deed of assignment provides that, when the sale price of each Chaswood share is below S$0.05, the Group shall pay to the former subsidiary an additional 50% of the difference between the market price and S$0.05. If the sale price of each Chaswood Share is above S$0.40, the Group is entitled to 50% of the excess between market price and S$0.40 ("Put Option").

Fair value of the quoted debt instrument and derivative liability being designated as financial liability, at fair value through profit or loss, is determined by management based on the published market bid price on the Singapore Exchange Securities Trading Limited and Black-Scholes Option Pricing Model.

29 Provision for Reinstatement Cost

	Group	
	2017	**2016**
	S$	**S$**
At the beginning of the year	96,720	–
Provision made	–	96,720
At the end of the year	96,720	96,720

The provision represents the fair value of management's best estimate of the future outflow of economic benefits that would be required to reinstate leased property to its original state. The estimates have been made on the basis of market value from external contractors. The unexpired term of the leases including the renewal options is 4 years (2016: 5 years).

30 Borrowings

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Current				
Bank term loans [(a)]	–	35,000	–	–
Short term loan [(b)]	1,435,000	1,645,000	–	–
Convertible notes [(c)]	15,000	–	15,000	–
Hire purchase creditors [(d)]	32,414	30,890	24,740	23,697
Others [(e)]	–	23,623	–	–
	1,482,414	1,734,513	39,740	23,697
Non-current				
Bank term loans [(a)]	–	317,916	–	–
Advances from a third party [(c)]	–	500,000	–	500,000
Hire purchase creditors [(d)]	14,334	46,434	6,353	31,093
Others [(e)]	–	426,926	–	–
	14,334	1,291,276	6,353	531,093

Hire Purchase Creditors

	Minimum payments		Present value of minimum payments	
	2017	2016	2017	2016
	S$	S$	S$	S$
Group				
Not later than one year	33,784	33,620	32,414	30,890
Later than one year and not later than five years	14,536	47,992	14,334	46,434
	48,320	81,612	46,748	77,324
Less future finance charges	(1,572)	(4,288)	–	–
Present value of minimum lease payments	46,748	77,324	46,748	77,324
Company				
Not later than one year	25,596	25,596	24,740	23,697
Later than one year and not later than five years	6,374	31,970	6,353	31,093
	31,970	57,566	31,093	54,790
Less future finance charges	(877)	(2,776)	–	–
Present value of minimum lease payments	31,093	54,790	31,093	54,790

30 Borrowings (cont'd)

(a) The Group has one (2016: one) principal bank term loan.

The bank term loan of S$317,916 (2016: S$352,916) is secured by the mortgage of the property at 65 Tiong Poh Road #01-32, Singapore (Note 20), and by a financial guarantee of the Company. The loan is repayable by monthly instalments over a period of 15 years and carries interest at 2.87% (2016: 2.87%) per annum. The bank term loan has been reclassified as liabilities directly associated with investment properties held for sale (Note 20(b)).

(b) The Group's short term loans are with (i) a fund company being managed by the Group's subsidiary amounting to S$900,000 (2016: S$900,000), (ii) third parties amounting to S$300,000 (2016: S$715,000) and (iii) a related party amounting to S$235,000 (2016: S$30,000).

(i) The short term loans of S$900,000 (2016: S$900,000) bear interest of 10% to 12% (2016: 10% to 12%) per annum with various repayment dates. No payment has been made during the financial year ended 31 December 2017. The loans are secured by the following:

- a sum of S$650,000 by the assignment of the proceeds from sales of certain media content of US$923,520 (approximately S$1,305,765); and
- a sum of S$250,000 by the proceeds from the sale of the investment properties.

(ii) The short term loans of S$300,000 (2016: S$715,000) bear interest of 0.83% to 1.5% (2016: 0.83% to 1.5%) per month with various repayment dates. The loans are secured by the proceeds from the sale of the investment properties.

(iii) The short term loan of S$235,000 (2016: S$30,000) bears interest of 5% (2016: 3%) per month with no fixed repayment dates. No payment has been made during the financial year ended 31 December 2017. The loan is secured by the proceeds from the sale of the investment properties.

(c) The Company entered into a subscription agreement on 2 October 2015 to issue 1% unsecured equity linked redeemable structured convertible notes due 2018 ("convertible notes") in an aggregate principal amount of up to S$50,000,000 in 8 tranches. During the previous financial year, advances amounting to S$500,000 was received pertaining to the subscription. The advances were subsequently issued as convertible notes as described during the financial year ended 31 December 2017.

The convertible notes are due for repayment in 2018 at their nominal value of S$50,000,000, with interest accrued at 1.0% per annum or may be converted into shares of the Company at the holder's option based on 80% of the average closing price per share on any three consecutive business days as selected by the holder.

The fair value of the liability component, included in current borrowings, is calculated using a market interest rate for an equivalent non-convertible note at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in equity component of convertible notes, net of income taxes.

30 Borrowings (cont'd)

(c) The carrying amount of the liability component of the convertible notes at the balance sheet date is derived as follows: (cont'd)

	Group and Company	
	2017	2016
	S$	S$
Face value of convertible notes at issuance	1,250,000	–
Conversion into ordinary shares	(400,000)	–
	850,000	–
Accreted interest (Note 8)	299,000	–
Equity conversion component	(1,134,000)	–
Liability component at the end of the year	15,000	–

During the financial year ended 31 December 2017, the Company issued the following:

(i) On 13 January 2017, the Company issued the first sub-tranche of tranche 1 notes with an aggregate principal value of S$500,000 and converted these notes with a principal value of S$200,000 into 62,500,000 ordinary shares at the conversion price of S$0.0032 per ordinary share.

(ii) On 17 January 2017, the Company issued the second sub-tranche of tranche 1 notes with an aggregate principal value of S$500,000.

(iii) On 27 February 2017, the Company converted the notes with a principal value of S$100,000 into 37,037,037 ordinary shares at the conversion price of S$0.0027 per ordinary share.

(iv) On 13 March 2017, the Company issued the third sub-tranche of tranche 1 notes with an aggregate principal value of S$250,000.

(v) On 28 April 2017, the Company converted the notes with a principal value of S$100,000 into 41,666,666 ordinary shares at the conversion price of S$0.0024 per ordinary share.

The Company suspended trading of its shares on the Singapore Exchange Securities Trading Limited on 12 June 2017. At the date of this report, trading has not been resumed.

(d) The hire purchase facilities are granted for the purchase of motor vehicles and bear an effective interest rate of 2.41% to 4.31% (2016: 2.41% to 4.31%) per annum.

30 Borrowings (cont'd)

(e) A subsidiary, Attilan Ventures Pte. Ltd. ("AVPL"), purchased a property at 65 Tiong Poh Road #02-32, Singapore from a related party, who is holding in trust, as disclosed in Note 20. The property is partly financed by a bank loan taken up by the related party and is secured by the said property. AVPL has a trust agreement with the related party and under the agreement, AVPL will continue to make monthly bank borrowing payments through the related party for a period of 19 years or until the property is disposed of. All benefits with regards to the property such as rental income and any residual disposal benefits belong to AVPL under the trust agreement. This borrowing bears an effective interest rate of 2.94% (2016: 2.94%) per annum and has been reclassified as liabilities directly associated with investment properties held for sale (Note 20(b)).

31 Share Capital

	Group and Company			
	2017	2016	2017	2016
	No. of shares	No. of shares	S$	S$
Ordinary shares				
Issued and fully paid:				
At the beginning of the financial year	1,097,505,101	1,097,505,101	119,912,067	119,912,067
Conversion into ordinary shares (Note 30(c))	141,203,703	–	400,000	–
At the end of the financial year	1,238,708,804	1,097,505,101	120,312,067	119,912,067

Ordinary shares have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regards to the Company's residual assets.

32 Reserves

		Group	
		2017	2016
		S$	S$
Foreign currency translation reserve	(a)	567,421	849,942
Other reserves	(b)	(10,429,690)	(10,429,690)
Fair value reserve	(c)	–	924,508
Equity component of convertible notes	(d)	1,134,000	–
		(8,728,269)	(8,655,240)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

32 Reserves (cont'd)

(a) Foreign Currency Translation Reserve

	Group	
	2017	2016
	S$	S$
Balance at the beginning of the year	849,942	865,650
Exchange difference on translation of foreign operations	102,262	399,935
Share in exchange differences on translation of foreign operations of associated companies	(384,783)	(415,643)
Balance at the end of the year	567,421	849,942

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Other Reserves

	Group	
	2017	2016
	S$	S$
Balance at the beginning and at the end of the year	(10,429,690)	(10,429,690)

The other reserves comprise the excess of consideration over the share of book value of net assets in respect of the additional acquired interest in subsidiaries.

(c) Fair Value Reserves

	Group	
	2017	2016
	S$	S$
Balance at the beginning of the year	924,508	2,181,604
Net fair value loss on financial assets, available-for-sale	–	(1,257,096)
Fair value gains recycled to profit or loss on de-recognition	(924,508)	–
Balance at the end of the year	–	924,508

The fair value reserve pertains to the net change in the fair value of financial assets, available-for-sale held until the investments are derecognised.

32 Reserves (cont'd)

(d) Equity Component of Convertible Notes

	Group 2017	Group 2016
	S$	S$
Balance at the beginning of the year	–	–
Convertible notes - equity component (Note 30(c))	1,134,000	–
Balance at the end of the year	1,134,000	–

The movements in the foreign currency translation reserve and fair value reserve are recognised in the consolidated statement of comprehensive income.

33 Commitments

(a) Operating Lease Commitment as a Lessee

At the balance sheet date, future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Within one year	556,597	561,624	–	–
Within two to five years	87,392	642,295	–	–
	643,989	1,203,919	–	–
Rental expense for the year	566,665	642,720	1,705	45,936

The Group leases its offices space and copiers from non-related parties under non-cancellable operating arrangements. These leases have varying terms and renewal rights.

33 Commitments (cont'd)

(b) Operating Lease Commitment as a Lessor

The Group has entered into an operating lease on its investment properties. This non-cancellable lease has remaining lease term of less than 24 months and no escalation clause and renewal rights.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Within one year	21,500	80,400	–	–
Within two to five years	–	21,500	–	–
	21,500	101,900	–	–
Rental income for the year	91,200	44,500	–	–

(c) Capital Commitment

As at the previous financial year ended 31 December 2016, the Group had contractual commitment for intangible assets - production costs amounting to S$1,717,147. These contracts have been terminated by the management during the financial year ended 31 December 2017 and no penalties were imposed on the Group.

34 Loss per Share

The loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	Group	
	2017	**2016**
	S$	**S$ (Restated)**
Loss from operations		
Loss after tax	(5,176,256)	(36,546,311)
Less: Non-controlling interest	(718,794)	(299,242)
Loss attributable to owners of the Company	(4,457,462)	(36,247,069)

34 Loss per Share (cont'd)

	Group 2017	Group 2016
	Cents per share	**Cents per share (Restated)**
Loss per share attributable to owners of the Company		
Basic and diluted loss per share	(0.37)	(3.30)
Number of shares		
Weighted average number of ordinary shares for the purposes of computing basic and diluted loss per share	1,217,127,120	1,097,505,101

There is no potential dilutive share as at 31 December 2017 and 31 December 2016.

35 Segment Information

The Group is involved in investment management, pre-school and media sales activities. Management has considered the business from a business segment perspective and not from geographic segment perspective as the management deemed it as impractical. For management purposes, the Group is organised into three main business segments:

- Investment management

  The investment management segment consists of fund management, private equity and investing activities.

- Media Sales

  The media sales segment consists of distribution and production of media related services and products.

- Pre-school

  The Pre-school segment consists of infant care and child care services.

Management monitors the results of the three segments for the purpose of making decisions in resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, may be measured differently from operating profit or loss in the consolidated financial statements.

35 Segment Information (cont'd)

Unallocated income/costs represent corporate income/expenses while unallocated assets/liabilities comprise mainly corporate assets/liabilities. Segment assets consist of primarily cash and bank balances, financial assets, available-for-sale, trade receivables, other assets and intangible assets. Segment liabilities comprise mainly of trade and other payables, financial liabilities, at fair value through profit or loss and borrowings.

Segment information about these businesses is presented below:

	Investment Management	Media Sales	Pre–school	Total
	S$	S$	S$	S$
Group				
2017				
Revenue				
Segment revenue - external	1,532,294	267,272	516,363	2,315,929
Segment results	(2,290,516)	22,445	(1,915,260)	(4,183,331)
Depreciation and amortisation	(25,265)	(6,304)	(366,604)	(398,173)
Finance costs	(24,520)	–	(90,117)	(114,637)
Finance income	344	–	–	344
Share of loss of associated companies	(541,134)	–	–	(541,134)
Unallocated amounts				
Depreciation and amortisation	–	–	–	(76,754)
Finance costs	–	–	–	(396,685)
Write back of financial guarantee contract	–	–	–	2,684,685
Other corporate expenses	–	–	–	(4,452,116)
Loss before tax				(5,161,872)
Segment assets	427,215	6,624	486,756	920,595
Segment liabilities	2,988,578	3,287,760	4,016,085	10,292,423
Other segment information				
Capital expenditure on property, plant and equipment	–	–	757	757
Capital expenditure on intangible assets	–	–	1,498,000	1,498,000
Impairment loss on intangible assets	–	–	1,407,278	1,407,278

35 Segment Information (cont'd)

	Investment Management	Media Sales	Pre–school	Total
	S$	S$	S$	S$
Group				
2016				
Revenue				
Segment revenue - external	1,607,445	590,982	134,556	2,332,983
Segment results	1,941,964	(7,434,818)	(700,516)	(6,193,370)
Depreciation and amortisation	(77,953)	(1,448,671)	(184,314)	(1,710,938)
Finance costs	(41,844)	(92,415)	(88,643)	(222,902)
Finance income	957	–	–	957
Share of loss of associated companies	(2,335,498)	–	–	(2,335,498)
Unallocated amounts				
Depreciation and amortisation	–	–	–	(188,310)
Finance costs	–	–	–	(113,501)
Financial guarantee expense	–	–	–	(6,381,372)
Waiver of loan and interest payable	–	–	–	6,260,565
Other corporate expense	–	–	–	(27,995,665)
Loss before tax				(36,547,051)
Segment assets	4,665,884	123,477	622,650	5,412,011
Segment liabilities	2,080,640	3,403,278	1,036,880	6,520,798
Other segment information				
Capital expenditure on property, plant and equipment	(8,335)	(1,082)	(527,646)	(537,063)
Capital expenditure on intangible assets	–	(550,375)	(500,000)	(1,050,375)
Impairment loss on goodwill	–	(5,772,203)	–	(5,772,203)
Impairment loss on intangible assets	–	(1,527,547)	–	(1,527,547)

35 Segment Information (cont'd)

Geographical Information

Revenue are based on the country in which the customers and investments are located. Non-current assets are shown by the geographical area where the assets are located.

	Revenue		Non-current assets*	
	2017	2016	2017	2016
	S$	S$	S$	S$
Group				
Singapore	1,685,113	1,364,806	670,186	5,106,696
Malaysia	630,816	968,177	10,509	32,339
Cayman Islands	–	–	4	4
	2,315,929	2,332,983	680,699	5,139,039

* Non-current assets exclude financial assets, available-for-sale, loan receivable and other non-current assets.

Included in the revenue arising from media sales of S$267,272 (2016: S$590,982) is revenue of approximately S$264,259 (2016: S$576,816) which arose from sales to the Group's largest customer.

A reconciliation of total assets for reportable segments to total assets is as follows:

	Group	
	2017	2016
	S$	S$
Segment assets for reportable segments	920,595	5,412,011
Investment in associated companies	–	1,922,726
Property, plant and equipment	330,699	614,369
Investment properties	–	2,151,944
Investment properties held for sale	2,050,001	–
Amounts due from a former subsidiary	5,040,079	2,355,394
Unallocated assets	292,839	286,163
Total assets	8,634,213	12,742,607

Management monitors the Media Sales segment based on a measure of segment results that excludes the amortisation of the intangible assets. However, segment assets of the Media Sales include the related intangible assets.

35 Segment Information (cont'd)

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	Group	
	2017	2016
	S$	S$
Segment liabilities for reportable segments	10,292,423	6,520,798
Financial guarantee contract	8,074,093	8,736,766
Put options liabilities	24,500,000	24,500,000
Provision for reinstatement cost	96,720	96,720
Unallocated liabilities	5,217,925	8,329,994
Liabilities directly associated with investment properties held for sale	744,008	–
Total liabilities	48,925,169	48,184,278

36 Financial Guarantees

As at 31 December 2017, the Company has total financial guarantees amounting to S$8,392,009 (2016: S$9,089,682) issued to a bank for the subsidiary's bank borrowing and to a fund for the former subsidiary's secured redeemable notes.

i. Bank borrowing

The fair value of the financial guarantee amounting to S$317,916 (2016: S$352,916) is estimated to be insignificant as the bank borrowing is collateralised by the related mortgaged property.

ii. Secured redeemable notes

The Company has provided financial guarantee amounting to S$8,074,093 (2016: S$8,736,766) to a fund for the former subsidiary's secured redeemable notes. During the current financial year, the management has assessed that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The fair value of the financial guarantee is estimated to be S$8,074,093 (2016: S$8,736,766) (Note 26).

37 Financial Instruments

(a) Financial Risk Management Policies and Objectives

The main risks arising from the entity's financial instruments are capital risk, credit risk, liquidity risk and market price risk comprising interest rate risk, foreign currency risk and price risk exposures. The management reviews and monitors policies for managing each of these risks and they are summarised below.

(i) Capital risk

The capital structure of the Group and the Company consists of equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses and net debt.

The Group's and the Company's objectives when managing capital are: (a) to safeguard the Group's and the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and (b) to provide an adequate return to shareholders by pricing products and services that are commensurate with the level of risk. The Group's and the Company's overall strategy remains unchanged since 2016.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2017 and 31 December 2016, except for one (2016: one) of its subsidiary company.

One subsidiary is required to maintain a base capital of not lower than S$250,000 based on Base Capital Requirements required by Singapore's Securities and Futures Act Regulations for a Registered Fund Management Company.

The Group and the Company set the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group and the Company monitor capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (as shown in the statements of financial position) less cash and bank balances, income tax payable and deferred tax liabilities. Total equity comprises all components of equity, i.e. share capital, accumulated losses and reserves.

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(i) Capital risk (cont'd)

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Net debt	48,606,670	47,667,054	37,950,677	36,876,936
Total equity	(40,290,956)	(35,441,671)	(32,787,327)	(30,030,046)
Net debt-to-equity ratio	N.M	N.M	N.M	N.M

N.M: not meaningful due to deficit in shareholders' funds

(ii) Credit risk

The Group and Company have exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, resulting in financial loss to the Group and the Company. Management assessed the recoverability of receivables periodically and impairment allowances are made at the end of the reporting period for amounts estimated by management not to be recoverable. Significant changes in the economy, or in the health of a particular counterpart that represents a concentration in the Group and the Company's portfolio, could result in losses that are different from those provided for at the end of the reporting period. Management therefore carefully manages its exposure to credit risk. The Group and the Company structure the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent reviews.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and financial guarantees.

The maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position except as disclosed in Note 36. The Group's financial assets exposed to credit risk include cash and bank balances, trade receivables, other current and non-current assets (excluding prepayment), loan receivable and financial assets, available-for-sale.

Allowances for impairment are made on certain debtors that are in significant financial difficulties and have defaulted on payments.

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(ii) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Other current and non-current assets (excluding prepayment) that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances are placed with reputable financial institutions.

Financial assets that are past due and/or impaired

There are no other class of financial assets that is past due and/or impaired except for trade receivables, other current and non-current assets (excluding prepayment), loan receivable and financial assets, available-for-sale.

The table below is an analysis of financial assets as at the balance sheet date:

	2017	2016
	S$	S$
Group		
Not past due and not impaired	5,437,918	2,840,405
Past due but not impaired #	–	84,445
	5,437,918	2,924,850
Impaired financial assets - individually assessed	20,505,104	19,713,575
Less: Allowance for impairment losses (Notes 15, 16 and 22)	(20,505,104)	(19,713,575)
	–	–
Company		
Not past due and not impaired	5,049,496	6,514,685
Past due but not impaired#	–	–
	5,049,496	6,514,685
Impaired - individually assessed	106,455,996	100,101,698
Less: Allowance for impairment losses (Notes 16 and 23)	(106,455,996)	(100,101,698)
	–	–

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(ii) Credit risk (cont'd)

Financial assets that are past due and/or impaired (cont'd)

The age analysis of financial assets past due but not impaired is as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Past due within 30 days	–	–	–	–
Past due within 31 to 90 days	–	–	–	–
Past due over 90 days	–	84,445	–	–
	–	84,445	–	–

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments. The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Contractual undiscounted cash flows				
	Less than 1 year	**Between 2 and 5 years**	**After 5 years**	**Total**	**Carrying amount**
	S$	**S$**	**S$**	**S$**	**S$**
Group					
2017					
Financial liabilities					
Trade and other payables	11,254,397	–	–	11,254,397	11,162,497
Financial liabilities, at fair value through profit or loss	–	2,542,721	–	2,542,721	2,542,721
Borrowings	1,641,084	29,536	–	1,670,620	1,496,748
Financial guarantee contract	8,074,093	–	–	8,074,093	8,074,093
Put options liabilities	24,500,000	–	–	24,500,000	24,500,000
Liabilities directly associated with investment properties held for sale	765,659	–	–	765,659	744,008
Total undiscounted financial liabilities	46,235,233	2,572,257	–	48,807,490	48,520,067
2016					
Financial liabilities					
Trade and other payables	8,468,206	–	–	8,468,206	8,358,206
Financial liabilities, at fair value through profit or loss	–	2,876,192	–	2,876,192	2,876,192
Borrowings	1,761,305	833,623	611,101	3,206,029	3,025,789
Financial guarantee contract	8,736,766	–	–	8,736,766	8,736,766
Put options liabilities	24,500,000	–	–	24,500,000	24,500,000
Total undiscounted financial liabilities	43,466,277	3,709,815	611,101	47,787,193	47,496,953

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iii) Liquidity risk (cont'd)

	Contractual undiscounted cash flows				
	Less than 1 year	Between 2 and 5 years	After 5 years	Total	Carrying amount
	S$	S$	S$	S$	S$
Company					
2017					
Financial liabilities					
Trade and other payables	5,635,982	–	–	5,635,982	5,544,082
Borrowings	25,596	21,374	–	46,970	46,093
Financial guarantee contract	8,074,093	–	–	8,074,093	8,074,093
Put options liabilities	24,500,000	–	–	24,500,000	24,500,000
Total undiscounted financial liabilities	38,235,671	21,374	–	38,257,045	38,164,268
2016					
Financial liabilities					
Trade and other payables	3,306,117	–	–	3,306,117	3,196,117
Borrowings	25,596	531,970	–	557,566	554,790
Financial guarantee contract	8,736,766	–	–	8,736,766	8,736,766
Put options liabilities	24,500,000	–	–	24,500,000	24,500,000
Total undiscounted financial liabilities	36,568,479	531,970	–	37,100,449	36,987,673

(iv) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company have cash balances placed with reputable banks and financial institutions and investments held by the Funds. Such balances are placed on varying maturities and generate interest income for the Group and the Company. The Group and the Company manage its interest rate risks by placing such balances on varying maturities and interest rate terms.

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

The Group and the Company obtain additional financing through bank borrowings. The Group's and the Company's borrowings are mainly on fixed rates while hire purchase facilities have floating interest rates.

The table below sets out the Group's and the Company's exposure to interest rate risks and information on weighted average effective yield. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Fixed rate			Floating rate					
	Within 1 year	**2 to 5 years**	**After 5 years**	**Within 1 year**	**2 to 5 years**	**After 5 years**	**Non-interest-bearing**	**Total**	**Effective interest rate**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**	**%**
Group									
2017									
Cash and bank balances	–	–	–	–	–	–	318,499	318,499	–
Financial assets, available-for-sale	–	–	–	–	–	–	2	2	–
Other current assets	–	–	–	–	–	–	5,318,905	5,318,905	–
Other non-current assets	–	–	–	–	–	–	119,013	119,013	–
Trade and other payables	(919,000)	–	–	–	–	–	(10,243,497)	(11,162,497)	10
Financial guarantee contract	(8,074,093)	–	–	–	–	–	–	(8,074,093)	15
Financial liabilities, at fair value through profit or loss	–	–	–	–	–	–	(2,542,721)	(2,542,721)	–
Put options liabilities	–	–	–	–	–	–	(24,500,000)	(24,500,000)	–
Borrowings	(1,467,414)	(29,334)	–	–	–	–	–	(1,496,748)	2 – 18
Liabilities directly associated with investment properties held for sale	–	–	–	(744,008)	–	–	–	(744,008)	2 – 3
	(10,460,507)	(29,334)	–	(744,008)	–	–	(31,529,799)	(42,763,648)	

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

	Fixed rate			Floating rate					
	Within 1 year	2 to 5 years	After 5 years	Within 1 year	2 to 5 years	After 5 years	Non-interest-bearing	Total	Effective interest rate
	S$	S$	S$	S$	S$	S$	S$	S$	%
Group (cont'd)									
2016									
Cash and bank balances	–	–	–	–	–	–	517,224	517,224	–
Financial assets, available-for-sale	–	–	–	–	–	–	3,738,005	3,738,005	–
Trade receivables	–	–	–	–	–	–	84,445	84,445	–
Other current assets	–	–	–	–	–	–	2,721,392	2,721,392	–
Other non-current assets	–	–	–	–	–	–	119,013	119,013	–
Trade and other payables	(1,100,000)	–	–	–	–	–	(7,258,206)	(8,358,206)	10
Financial guarantee contract	(8,736,766)	–	–	–	–	–	–	(8,736,766)	15
Financial liabilities, at fair value through profit or loss	–	–	–	–	–	–	(2,876,192)	(2,876,192)	–
Put options liabilities	–	–	–	–	–	–	(24,500,000)	(24,500,000)	–
Borrowings	(1,675,890)	(46,434)	–	(58,623)	(208,152)	(536,690)	(500,000)	(3,025,789)	2 – 18
	(11,512,656)	(46,434)	–	(58,623)	(208,152)	(536,690)	(27,954,319)	(40,316,874)	

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) Interest rate risk (cont'd)

	Fixed rate				
	Within 1 year	2 to 5 years	Non-interest bearing	Total	Effective interest rate
	S$	S$	S$	S$	%
Company					
2017					
Cash and bank balances	–	–	213,591	213,591	–
Other receivables	–	–	5,049,496	5,049,496	–
Trade and other payables	–	–	(5,544,082)	(5,544,082)	–
Financial guarantee contract	(8,074,093)	–	–	(8,074,093)	15
Put options liabilities	–	–	(24,500,000)	(24,500,000)	–
Borrowings	(24,740)	(21,353)	–	(46,093)	3.36
	(8,098,833)	(21,353)	(24,780,995)	(32,901,181)	
2016					
Cash and bank balances	–	–	110,737	110,737	–
Other receivables	–	–	4,293,250	4,293,250	–
Other non-current assets	–	–	2,221,435	2,221,435	–
Trade and other payables	–	–	(3,196,117)	(3,196,117)	–
Financial guarantee contract	(8,736,766)	–	–	(8,736,766)	15
Put options liabilities	–	–	(24,500,000)	(24,500,000)	–
Borrowings	(23,697)	(31,093)	(500,000)	(554,790)	5.18
	(8,760,463)	(31,093)	(21,570,695)	(30,362,251)	

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(iv) *Interest rate risk* (cont'd)

A 1% increase/(decrease) in interest rate for the financial assets and financial liabilities with floating rate at the balance sheet date would result in a corresponding increase/(decrease) in loss before tax (2016: loss before tax) as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Income statement and equity				
- interest rate increased by 1%	(7,440)	(8,035)	–	–
- interest rate decreased by 1%	7,440	8,035	–	–

(v) *Foreign currency risk*

There is also exposure to changes in foreign exchange rates arising from foreign currency transactions and balances and changes in fair values. These exposures and changes in fair values from time to time are monitored and any gains and losses are included in the income statement unless otherwise stated in the notes to the financial statements. The Group's and the Company's policy is to constantly monitor the foreign currency balances and kept them at minimum level sufficient for operational requirements in order to minimise the currency exposures.

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk

The Group's and the Company's exposure to foreign currency risk is as follows:

	Singapore Dollar	Malaysian Ringgit	United States Dollar	Total
	S$	S$	S$	S$
Group				
2017				
Cash and bank balances	268,709	30,769	19,021	318,499
Financial assets, available-for-sale	–	–	2	2
Other receivables	5,062,315	143,934	112,656	5,318,905
Other non-current assets	119,013	–	–	119,013
Trade and other payables	(7,574,143)	(1,253,519)	(2,431,555)	(11,259,217)
Financial guarantee contract	–	–	(8,074,093)	(8,074,093)
Put options liabilities	(24,500,000)	–	–	(24,500,000)
Financial liabilities, through profit or loss	(2,542,721)	–	–	(2,542,721)
Borrowings	(1,489,074)	(7,674)	–	(1,496,748)
Liabilities directly associated with investment properties held for sale	(744,008)	–	–	(744,008)
Net financial liabilities	(31,399,909)	(1,086,490)	(10,373,969)	(42,860,368)
Less: Net financial assets denominated in the respective entities' functional currency	31,400,954	1,090,471	290,605	32,782,030
Currency exposure	1,045	3,981	(10,083,364)	(10,078,338)

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

	Singapore Dollar	Malaysian Ringgit	United States Dollar	Total
	S$	S$	S$	S$
Group (cont'd)				
2016				
Cash and bank balances	455,624	40,852	20,748	517,224
Financial assets, available-for-sale	–	3,711,595	26,410	3,738,005
Trade receivables	–	–	84,445	84,445
Other receivables	2,626,731	82,320	12,341	2,721,392
Other non-current assets	119,013	–	–	119,013
Trade and other payables	(5,840,039)	(427,292)	(2,187,595)	(8,454,926)
Financial guarantee contract	–	–	(8,736,766)	(8,736,766)
Put options liabilities	(24,500,000)	–	–	(24,500,000)
Financial liabilities, through profit or loss	(2,876,192)	–	–	(2,876,192)
Borrowings	(3,003,255)	(22,534)	–	(3,025,789)
Net financial (liabilities)/assets	(33,018,118)	3,384,941	(10,780,417)	(40,413,594)
Less: Net financial assets denominated in the respective entities' functional currency	33,019,774	332,284	276,191	33,628,249
Currency exposure	1,656	3,717,225	(10,504,226)	(6,785,345)

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

	Singapore Dollar	Malaysian Ringgit	United States Dollar	Total
	S$	S$	S$	S$
Company				
2017				
Cash and bank balances	213,591	–	–	213,591
Other receivables	5,049,496	–	–	5,049,496
Trade and other payables	(5,544,082)	–	–	(5,544,082)
Financial guarantee contract	–	–	(8,074,093)	(8,074,093)
Put options liabilities	(24,500,000)	–	–	(24,500,000)
Borrowings	(46,093)	–	–	(46,093)
Net financial liabilities	(24,827,088)	–	(8,074,093)	(32,901,181)
Less: Net financial assets denominated in the entity's functional currency	24,827,088	–	–	24,827,088
Currency exposure	–	–	(8,074,093)	(8,074,093)
2016				
Cash and bank balances	110,737	–	–	110,737
Other receivables	4,319,626	(382)	(25,994)	4,293,250
Other non-current assets	2,221,435	–	–	2,221,435
Trade and other payables	(3,196,117)	–	–	(3,196,117)
Financial guarantee contract	–	–	(8,736,766)	(8,736,766)
Put options liabilities	(24,500,000)	–	–	(24,500,000)
Borrowings	(554,790)	–	–	(554,790)
Net financial liabilities	(21,599,109)	(382)	(8,762,760)	(30,362,251)
Less: Net financial assets denominated in the entity's functional currency	21,599,109	–	–	21,599,109
Currency exposure	–	(382)	(8,762,760)	(8,763,142)

37 Financial Instruments (cont'd)

(a) Financial Risk Management Policies and Objectives (cont'd)

(v) Foreign currency risk (cont'd)

A 2% strengthening of the Singapore dollar against the following currencies at the balance sheet date would (decrease)/increase the loss before tax by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	Company
	(Decrease)/ increase	(Decrease)/ increase
	loss after tax	loss after tax
	S$	S$
2017		
Malaysian ringgit	80	–
United States dollar	(201,667)	(161,482)
2016		
Malaysian ringgit	74,345	(8)
United States dollar	(210,085)	(175,255)

(vi) Price risk

The Group is exposed to equity securities price risk because of the quoted investments held by the Group, which are classified on the statements of financial position as financial assets, available-for-sale. The securities are listed in Singapore. The market value of the investments is affected, amongst others, by changes in market prices as a result of changes in global economic conditions, macro and micro economic factors affecting the country, where investments are quoted, and factors specific to investee corporations. The fluctuations in market prices due to the above factors are unforeseen and the Group monitors these changes to respond to them as and when appropriate and necessary.

A 5% (2016: 5%) increase/(decrease) in the underlying equity prices at the reporting date would not have significant impact on the profit or loss and equity of the Group.

37 Financial Instruments (cont'd)

(b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
	S$	**S$**	**S$**	**S$**
2017				
Financial liability, fair value through profit or loss				
- Debt instruments (quoted)	917,047	–	–	917,047
- Derivative liability	–	1,625,674	–	1,625,674
2016				
Financial assets, available-for-sale				
- Equity instruments (unquoted)	–	–	3,711,595	3,711,595
Financial liability, fair value through profit or loss				
- Debt instruments (quoted)	1,583,990	–	–	1,583,990
- Derivative liability	–	1,292,202	–	1,292,202

There was no transfer between Level 1 and 2 during the financial years ended 31 December 2017 and 31 December 2016.

37 Financial Instruments (cont'd)

(b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

Determination of fair value

Fair value of quoted equity instruments is determined directly by reference to their published market bid price at the balance sheet date.

Fair value of the quoted debt instruments and derivative liability being designated as financial liability, at fair value through profit or loss is determined by management based on the published market bid price and Black-Scholes Option Pricing Model ("the Model"). The Model incorporates various inputs including the risk free rate, underlying price, exercise price option and historical volatility of the related quoted shares.

Fair value of the unquoted equity being designated as financial assets, available-for-sale is determined based on the following basis:

- *Enterprise value/Earnings Before Interest Tax and Depreciation ("EV/EBITDA"):* The valuation method is based on adjusted EBITDA multiples (based on the budgeted EBITDA and equivalent corresponding EBITDA multiples of comparable listed companies).

The Group has disposed its unquoted equity during the financial year ended 31 December 2017.

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on inputs for the assets that are not based on observable market data (unobservable inputs).

	Equity instruments (unquoted)
	S$
Group	
2017	
Opening balance	3,711,595
Disposal of financial assets, available-for-sale	(3,711,595)
	–

37 Financial Instruments (cont'd)

(b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

Movements in Level 3 financial instruments measured at fair value (cont'd)

	Equity instruments (unquoted)
	S$
Group	
2016	
Opening balance	4,968,691
Total loss recognised in other comprehensive income	
- net fair value loss on financial assets, available-for-sale	(1,257,096)
	3,711,595

Information about valuation techniques and inputs used in Level 3:

	Valuation Technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(a) For unquoted equity instruments			
- For financial year ended 31 December 2016	EV/EBITDA	EV/EBITDA multiple of 9 times	The higher the EV/EBITDA, the higher the fair value.

37 Financial Instruments (cont'd)

(b) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

The following table shows the impact on the Level 3 fair value measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Carrying Amount	Effect of reasonably possible alternative assumptions – Other Comprehensive Income	
		Increase	**Decrease**
	S$	**S$**	**S$**
2017			
Available-for-sale financial assets:			
Unquoted equity securities	–	–	–
2016			
Available-for-sale financial assets:			
Unquoted equity securities	3,711,595	474,136	(474,136)

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

- For unquoted equity securities for the financial year ended 31 December 2016, the Group adjusted the EV/EBITDA multiple by increasing and decreasing the multiple by one.

(c) Fair Value of the Group's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group and the Company that are not measured at fair value on a recurring basis.

(i) Long term financial assets and financial liabilities

The carrying amounts of deposits, loan receivable, borrowings and obligations under finance leases approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

37 Financial Instruments (cont'd)

(c) Fair Value of the Group's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required) (cont'd)

(ii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

38 Events Occurring After the Reporting Period

(a) Subsequent to the financial year end, the Group's wholly owned subsidiary, Hub Media Group Pte. Ltd. ("HMGPL"), has received a writ of summons filed by a former employee who is claiming for an amount of S$434,700, together with costs and interests on the claimed amount. This claim is in respect of unpaid salary due by HMGPL. The Company is in the process of seeking legal advice on this matter. The amount has been adequately provided for as at 31 December 2017.

(b) On 18 May 2018, the Company entered into a deed of settlement with Phillip Asia Pacific Opportunity Fund Ltd ("Phillip Asia") ("Settlement Deed").

Under the Settlement Deed, the Company and Phillip Asia mutually agreed, amongst others, that as full and final settlement of the Suit in the High Court of Singapore in Suit No. HC/S/223/2017 ("HC Suit") and all amounts due and owing, as well as all issues arising under the redeemable secured notes agreement with Phillip Asia ("RSA") and the Corporate Guarantee, amongst others:

1. The Company shall make an aggregate payment of S$2,000,000 ("Total Settlement Amount") to Phillip Asia in the following manner:

   (i) a sum of S$100,000 upon signing of the Settlement Deed;

   (ii) a sum of S$50,000 on or before 15 June 2018;

   (iii) a sum of S$50,000 on or before 30 June 2018;

   (iv) a sum of $300,000 two months from the date of resumption of the trading of the shares in the Company; and

   (v) the remaining balance of S$1,500,000 on (i) the completion date of a proposed reverse takeover exercise to be undertaken by the Company, or (ii) on 31 December 2018, whichever is earlier.

38 Events Occurring After the Reporting Period

(b) On 18 May 2018, the Company entered into a deed of settlement with Phillip Asia Pacific Opportunity Fund Ltd ("Phillip Asia") ("Settlement Deed"). (cont'd)

2. In consideration of the full settlement under the Settlement Deed, all securities under the RSA shall be terminated, discharged and released;

3. The timelines for payment of the remaining balance of S$1,500,000 may be extended upon mutual agreement, the consent of Phillip Asia shall not be unreasonably withheld for so long as the remaining balance of S$1,500,000 shall be paid no later than 31 March 2019;

4. In consideration of the Company entering into this Agreement, amongst others, Phillip Asia shall with effect from the date of the Settlement Deed:

    1. not claim, take any steps to exercise, enforce any rights or take any further legal action or commence legal suit against the Company, in respect of the RSA, all securities under the RSA or other agreements related or ancillary to the same; and

    2. to stay all legal proceedings which have been commenced against the Company, in respect of the RSA, all securities under the RSA or other agreements related or ancillary to the same.

39 Comparative Figures

Restatements

Certain restatements have been made to the prior year's financial statements in accordance with FRS 8 *Accounting Policies*, *Changes in Accounting Estimates and Errors*. As a result, certain line items have been amended on the face of the consolidated income statement and statements of financial position of the Group and the Company for the financial year ended 31 December 2016 as summarised below:

	Group		
	31.12.2016		**31.12.2016**
	Previously reported	**Restatements**	**Restated**
	S$	**S$**	**S$**
Consolidated Income Statement			
Other expenses	(14,280,308)	(24,500,000)	(38,780,308)
Loss attributable to owners of the Company	(11,747,069)	(24,500,000)	(36,247,069)
Number of shares			
Weighted average number of ordinary shares	1,097,505,101	–	1,097,505,101
Loss per share			
Basic and diluted (cents per share)	(1.07)	(2.23)	(3.30)
Statements of Financial Position			
Current liabilities			
- Put options liabilities	–	(24,500,000)	(24,500,000)

	Company		
	31.12.2016		**31.12.2016**
	Previously reported	**Restatements**	**Restated**
	S$	**S$**	**S$**
Statements of Financial Position			
Current liabilities			
- Put options liabilities	–	(24,500,000)	(24,500,000)

39 Comparative Figures (cont'd)

As disclosed in Note 27 to the financial statements, the Group and the Company have recognised a liability of S$24,500,000 as at 31 December 2016 and 2017, relating to the valuation of the put option agreements ("Options") entered into with certain third parties ("Investors"), that provide the Investors with the right to require the Company to acquire their investments in preference shares issued by TAP Venture Fund I Pte. Ltd. ("TAPVF").

The fair value of the Options was estimated by the directors of the Company to be S$24,500,000 as at 31 December 2016 and 2017 based on the purchase consideration of the preference shares by Investors of S$25,000 per share for a total of 980 preference shares.

This liability has been recognised as at 31 December 2016 and continued to be recognised as at 31 December 2017 in view of the net asset value of TAPVF estimated by the directors of the Company to be lower than the purchase consideration.

SHAREHOLDERS' INFORMATION

As at 29 June 2018

STATISTICS OF SHAREHOLDINGS AS OF 29 JUNE 2018

Number of Shares	:	1,238,708,804		
Class of Shares	:	Ordinary shares		
Voting Rights	:	On show of hands	:	One vote for each member
	:	On a poll	:	One vote for each ordinary share
Treasury Shares	:	Nil (there were no treasury shares)		

VOTING RIGHTS

Shareholder's voting rights are set out in Article 65 of the Company's Constitution.

On a show of hands, every member who is present in person or by proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.

ANALYSIS OF SHAREHOLDINGS BY RANGE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	57	1.37	2,334	0.00
100 - 1,000	453	10.89	202,779	0.02
1,001 - 10,000	862	20.72	5,845,681	0.47
10,001 - 1,000,000	2,629	63.20	378,962,814	30.59
1,000,001 AND ABOVE	159	3.82	853,695,196	68.92
TOTAL	**4,160**	**100.00**	**1,238,708,804**	**100.00**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information available to the Company as at 29 June 2018, 66.66% of the issued ordinary shares of the Company is being held in public, and therefore, Rule 723 of the Listing Manual is complied with.

SHAREHOLDERS' INFORMATION

As at 29 June 2018

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RHB SECURITIES SINGAPORE PTE. LTD.	115,797,000	9.35
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	41,830,827	3.38
3	PHILLIP SECURITIES PTE LTD	32,863,144	2.65
4	ABN AMRO CLEARING BANK N.V	28,632,000	2.31
5	CHEA YUET NGOR	27,765,000	2.24
6	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	24,470,000	1.98
7	MAYBANK KIM ENG SECURITIES PTE LTD	21,310,864	1.72
8	OCBC SECURITIES PRIVATE LIMITED	21,061,144	1.70
9	DBS NOMINEES (PRIVATE) LIMITED	20,186,207	1.63
10	RAFFLES NOMINEES (PTE.) LIMITED	17,401,900	1.40
11	CHOW WING KWOK	16,987,000	1.37
12	LEE SOO KIM	16,300,000	1.32
13	SZU WEI KUANG	14,000,000	1.13
14	TAN HEE NAM	14,000,000	1.13
15	WONG TIAM FEI	13,756,200	1.11
16	CITIBANK NOMINEES SINGAPORE PTE LTD	13,037,900	1.05
17	QUEK SWEE SIANG	12,688,800	1.02
18	LI HUA	12,004,000	0.97
19	LIM & TAN SECURITIES PTE LTD	11,012,236	0.89
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	9,732,949	0.79
	TOTAL	**484,837,171**	**39.14**

SUBSTANTIAL SHAREHOLDERS

SHAREHOLDER'S NAME	DIRECT INTEREST	DEEMED INTEREST
Asiasons Investment Managers Inc	305,994,400	–
Porterhouse Capital Limited	107,000,000	–
Datuk Jared Lim Chih Li[1]	–	412,994,400
Ng Teck Wah[1]	–	412,994,400

[1] By virtue of interests in Asiasons Investment Managers Inc and Porterhouse Capital Limited

ATTILAN GROUP LIMITED

Company Registration No. 199906459N
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Company will be held at 10 Hoe Chiang Road, #21-01 Keppel Towers, Singapore 089315 on Wednesday, 25 July 2018 at 2:00 p.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Directors' Statement and Auditors' Report thereon.
[See Explanatory Note (i)]

2. To re-elect the following Directors retiring pursuant to Article 91 of the Constitution of the Company:-

2.1 Mr. Attlee Hue Kuan Yew (Resolution 1)
2.2 Mr. Balraj Singh Pannu a/l Gajjan Singh (Resolution 2)
[See Explanatory Note (ii)]

3. To approve the payment of Directors' fees of S$90,000.00 for the financial year ended 31 December 2017 (2016: S$79,194.00). (Resolution 3)

4. To re-appoint Messrs. Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 4)

AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications: -

Ordinary Resolution :
<u>Authority to issue and allot shares</u>

"That, pursuant to Section 161 of the Companies Act, Chapter 50 and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**"), including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares to be issued under such circumstances (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below); and

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) (unless revoked or varied by the Company in a general meeting), such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (Resolution 5)
[See Explanatory Note (iii)]

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Thum Sook Fun
Company Secretary

Singapore, 9 July 2018

Explanatory Notes:

(i) This Agenda item is meant for discussion only, as the provision of Section 201(1) of the Companies Act (Chapter 50) does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda item is not put forward to shareholders for voting.

(ii) **Ordinary Resolutions 1 & 2 : Re-election of Directors retiring under Article 91**

(a) Mr. Balraj Singh Pannu a/l Gajjan Singh will, upon re-election as Director of the Company, remain as member of Nominating Committee, Audit Committee and Remuneration Committee.

(b) Mr. Attlee Hue Kuan Yew ("Attlee") has served the Board for more than nine years from the date of his first appointment on 16 July 2007. The Nominating Committee has noted that for having a Good Corporate Governance Practice and reviewed the independence status of Mr. Attlee and noted that Mr. Attlee is independent in his character and judgment, without any fact that will affected his status and also towards the Company.

Mr. Attlee will, upon re-election as Director of the Company, remain as member of Audit Committee and Chairman of Remuneration Committee and Nominating Committee and will be considered as independent.

(iii) **Ordinary Resolutions 5 : Authority to issue and allot shares**

The Ordinary Resolution No. 5, if passed, will empower the Directors of the Company effective from the date of the above Meeting until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares in pursuance of such Instruments, up to a number not exceeding, in aggregate 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company.

For the purpose of this Resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Resolutions 1, 2, 3, 4 and 5 shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon.

Notes:

(a) A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company.

(b) Where a member of the Company appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

(c) A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Company's Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

(d) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two proxies, the number and class of shares to be represented by each proxy must be stated.

(e) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

(f) The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, must be deposited at the Company's Registered Office at 10 Hoe Chiang Road, Keppel Towers #01-01/03, Singapore 089315 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned meeting.

(g) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY:

"Personal data" in this Notice of the AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("**PDPA**"), which includes your and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share register and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

IMPORTANT

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

ATTILAN GROUP LIMITED

Company Registration No. 199906459N
(Incorporated in the Republic of Singapore)

Proxy Form

I/We ______________________ NRIC/Passport No./Company No. ______________________

of ____ (Address)

being a member/members of **ATTILAN GROUP LIMITED** (the "**Company**") hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings to be represented by proxy	
			Number of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings to be represented by proxy	
			Number of Shares	%

as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the Annual General Meeting ("AGM") to be held at 10 Hoe Chiang Road, #21-01 Keppel Towers, Singapore 089315 on Wednesday, 25 July 2018 at 2:00 p.m. and any adjournment thereof.

Note: Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the **Notice of AGM**. In the absence of specific directions or in the event of any item arising not summarised below, the proxy/proxies may vote or abstain from voting as he/they may think fit.

No.	Ordinary Resolutions	For	Against
1	To re-elect Attlee Hue Kuan Yew as Director of the Company pursuant to Article 91 of the Constitution of the Company.		
2	To re-elect Balraj Singh Pannu a/l Gajjan Singh as Director of the Company pursuant to Article 91 of the Constitution of the Company.		
3	To approve the payment of Directors' fees of S$90,000.00 for the financial year ended 31 December 2017 (2016: S$79,194.00).		
4	To re-appoint Messrs. Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

*Delete accordingly

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of AGM** for the full purpose and intent of the Resolutions to be passed.

Dated this ________ day of ______________ 2018

Total Number of Shares Held

____

Signature of Shareholder(s) and
Common Seal of Corporate Shareholder

** Delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT NOTES TO PROXY FORM :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares therein. If no number is inserted, the instrument of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote at the AGM of the Company. A proxy need not be a member of the Company. Where such member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity:

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Hoe Chiang Road, Keppel Towers #01-01/03, Singapore 089315 not less than forty-eight (48) hours before the time fixed for holding the AGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register not less than seventy-two (72) hours before the time appointed for holding the AGM, as certified by CDP to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the Personal Data Privacy term as set out in the Notice of the Annual General Meeting dated, 9 July 2018.

Affix
Postage
Stamp
here

ATTILAN GROUP LIMITED
10 Hoe Chiang Road,
Keppel Towers #01-01/03,
SINGAPORE 089315

ATTILAN

Attilan Group Limited

10 Hoe Chiang Road
Keppel Towers #01-01/03
Singapore 089315
T +65 6319 4300