

Unaudited Financial Statement and Dividend Announcement – Third Quarter and Nine Months ended 30 September 2016

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

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

Unaudited Consolidated Income Statement

	GROUP			GROUP		
	Quarter Ended 30-Sep-16	Quarter Ended 30-Sep-15	Increase / (Decrease)	9 Months Ended 30-Sep-16	9 Months Ended 30-Sep-15	Increase / (Decrease)
	S\$	S\$	%	S\$	S\$	%
Revenue	475,590	738,080	-36%	1,670,638	2,765,594	-40%
Cost of media sales	(362,305)	(339,734)	7%	(1,217,397)	(904,392)	35%
Administrative expenses	(1,032,506)	(1,175,065)	-12%	(3,206,590)	(4,030,465)	-20%
Other income - net	11,022	62,353	-82%	8,070,925	1,279,677	531%
Other expenses - net	(198,948)	(79,548)	150%	(199,788)	(2,124,753)	-91%
(Loss)/Profit from operations	(1,107,147)	(793,914)	39%	5,117,788	(3,014,339)	nm
Finance income	424	814	-48%	943	3,888	-76%
Finance costs	(126,183)	(69,131)	83%	(293,823)	(798,895)	-63%
Share of profit/(loss) of associated company	248,328	(187,911)	nm	(863,338)	(731,467)	18%
(Loss)/Profit before tax	(984,578)	(1,050,142)	-6%	3,961,570	(4,540,813)	nm
Income tax expense	462	-	nm	(165,063)	(2,229)	7305%
(Loss)/Profit after tax	(984,116)	(1,050,142)	-6%	3,796,507	(4,543,042)	nm
(Loss)/Profit attributable to:						
Owners of the Company	(893,695)	(1,013,796)	-12%	4,008,367	(4,401,124)	nm
Non-controlling interest	(90,421)	(36,346)	149%	(211,860)	(141,918)	49%
	(984,116)	(1,050,142)	-6%	3,796,507	(4,543,042)	nm

nm = not meaningful

Unaudited Consolidated Statement of Comprehensive Income

	GROUP			GROUP		
	Quarter Ended 30-Sep-16	Quarter Ended 30-Sep-15	Increase / (Decrease)	9 Months Ended 30-Sep-16	9 Months Ended 30-Sep-15	Increase / (Decrease)
	S\$	S\$	%	S\$	S\$	%
(Loss)/Profit after tax	(984,116)	(1,050,142)	-6%	3,796,507	(4,543,042)	nm
Other comprehensive income/(loss), net of tax:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	125,506	(2,184,074)	nm	455,411	(1,069,525)	nm
Net fair value gain on financial assets, available-for-sale	-	(253,562)	nm	90,492	(412,508)	nm
Share of Other Comprehensive (loss)/income of associated company	(14,367)	402,206	nm	(829,486)	708,829	nm
Other comprehensive income/(loss) for the period, net of tax	111,139	(2,035,430)	nm	(283,583)	(773,204)	nm
Total comprehensive (loss)/income for the period	(872,977)	(3,085,572)	-72%	3,512,924	(5,316,246)	nm
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(782,556)	(3,068,721)	-74%	3,724,784	(5,203,093)	nm
Non-controlling interest	(90,421)	(16,851)	437%	(211,860)	(113,153)	87%
	(872,977)	(3,085,572)	-72%	3,512,924	(5,316,246)	nm

nm = not meaningful

Notes to the Statement of Comprehensive Income

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

	GROUP		GROUP	
	Quarter Ended 30-Sep-16	Quarter Ended 30-Sep-15	9 Months Ended 30-Sep-16	9 Months Ended 30-Sep-15
	S\$	S\$	S\$	S\$
Depreciation and amortisation expenses	(444,015)	(360,341)	(1,424,492)	(1,023,035)
Fair value (loss)/gain on financial liability, at fair value through profit or loss	(83,368)	-	1,018,610	-
Fair value gain/(loss) on financial assets, at fair value through profit or loss	-	155,902.00	-	(15,802)
Finance income	424	814	943	3,888
Finance costs	(126,183)	(69,131)	(293,823)	(798,895)
Foreign exchange (loss)/gain - net	(152,623)	655,298	(115,160)	(1,204,412)
(Loss)/Gain on disposal of financial assets, available-for-sale	(3,712)	-	519,728	101,321
Impairment loss on financial assets, available-for-sale	-	-	-	13,791
Share of profit/(loss) of associated company	248,328	(187,911)	(863,338)	(731,467)
Waiver of loan and interest payable	-	-	6,262,378	-
Write back of impairment loss on trade and other receivables	-	-	100,000	-

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

	GROUP		Company	
	As at	As at	As at	As at
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	S\$	S\$	S\$	S\$
ASSETS				
Current Assets				
Cash and bank balances	213,299	729,008	45,627	161,292
Financial assets, available-for-sale	-	350,657	-	-
Trade receivables	80,374	24,531	-	-
Other current assets	1,336,528	1,485,992	543,176	554,216
Amount due from subsidiaries	-	-	1,055,685	1,755,580
Total Current Assets	1,630,201	2,590,188	1,644,488	2,471,088
Non-Current Assets				
Investments in subsidiaries	-	-	141,498	141,498
Investments in associated company	3,035,880	4,553,818	-	-
Financial assets, available-for-sale	5,121,894	5,031,403	-	-
Property, plant and equipment	919,135	701,511	478,062	619,769
Investment properties	2,162,870	2,195,648	-	-
Intangible assets	1,745,053	2,415,185	-	-
Other non-current assets	262,296	261,926	136,835	136,835
Amount due from subsidiaries	-	-	9,319,077	9,319,077
Goodwill	5,772,203	5,772,203	-	-
Total Non-Current Assets	19,019,331	20,931,694	10,075,472	10,217,179
Total Assets	20,649,532	23,521,882	11,719,960	12,688,267
Current Liabilities				
Trade and other payables	8,750,405	8,842,859	2,426,296	2,634,241
Income tax payable	1,639	1,639	-	-
Borrowings	1,627,054	7,064,916	5,766	22,698
Total Current Liabilities	10,379,098	15,909,414	2,432,062	2,656,939
Non-Current Liabilities				
Financial liability, at fair value through profit or loss	3,334,715	4,353,325	-	-
Deferred tax liabilities	163,652	-	-	-
Borrowings	881,699	881,699	54,790	54,790
Total Non-Current Liabilities	4,380,066	5,235,024	54,790	54,790
Total Liabilities	14,759,164	21,144,438	2,486,852	2,711,729
Equity Attributable to Owners of the Company				
Share capital	119,912,067	119,912,067	119,912,067	119,912,067
Accumulated losses	(106,168,292)	(110,176,659)	(110,764,878)	(110,021,448)
Foreign currency translation reserve	491,575	865,650	85,919	85,919
Other reserve	(10,429,690)	(10,429,690)	-	-
Fair value reserve	2,272,096	2,181,604	-	-
Total Shareholders' Funds	6,077,756	2,352,972	9,233,108	9,976,538
Non-controlling Interests	(187,388)	24,472	-	-
Total Equity	5,890,368	2,377,444	9,233,108	9,976,538
Total Liabilities and Equity	20,649,532	23,521,882	11,719,960	12,688,267

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

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

As at 30 September 2016		As at 31 December 2015	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
1,187,054	440,000	7,014,916	50,000

(B) Amount repayable after one year

As at 30 September 2016		As at 31 December 2015	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
881,699	Nil	881,699	Nil

(C) Whether the amounts are secured or unsecured

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

(D) Details of any collateral:

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

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

	GROUP		GROUP	
	Quarter Ended 30 September 2016	Quarter Ended 30 September 2015	9 Months Ended 30 September 2016	9 Months Ended 30 September 2015
	S\$	S\$	S\$	S\$
Cash flows from operating activities:				
(Loss)/Profit before tax	(984,578)	(1,050,142)	3,961,570	(4,540,813)
Adjustments for:				
Depreciation and amortisation expenses	444,015	360,341	1,424,492	1,023,035
Fair value loss/(gain) on financial liability, at fair value through profit or loss	83,368	-	(1,018,610)	-
Fair value (gain)/loss on financial assets, at fair value through profit or loss	-	(155,902.00)	-	15,802
Finance income	(424)	(814)	(943)	(3,888)
Finance costs	126,183	69,131	293,823	798,895
Gain on disposal of property, plant and equipment	-	-	(193)	-
Impairment loss on financial assets, available-for-sale	-	32,180	-	45,971
Loss/(Gain) on disposal of financial assets, available for sale	3,712	-	(519,728)	(101,321)
Loss on disposal of financial assets, available for sale, at fair value through profit or loss	-	803,600	-	803,600
Waiver of loan payable	-	-	(6,177,103)	-
Waiver of loan interest payable	605	-	(84,670)	-
Share of (profit)/loss of associated company	(248,328)	187,911	863,338	731,467
Write back of impairment loss on other receivables	-	(40,246)	(100,000)	(1,028,187)
Unrealised foreign currency translation (gain)/loss	157,265	(1,020,295)	87,273	689,453
Operating cash flows before changes in working capital	(418,182)	(814,236)	(1,270,751)	(1,565,986)
Changes in working capital:				
Financial assets, available-for-sale	(3,712)	(1,264,159)	870,385	(1,595,296)
Financial assets, at fair value through profit or loss	-	236,302	-	730,598
Trade and other receivables and other current assets	21,957	(348,577)	229,259	(1,740,847)
Trade and other payables	(37,382)	2,089,272	(31,701)	3,853,758
Net cash used in operations	(437,319)	(101,398)	(202,808)	(317,773)
Income tax paid	(318)	(570)	(1,411)	109,684
Net cash used in operating activities	(437,637)	(101,968)	(204,219)	(208,089)
Cash flows from investing activities:				
Interest received	424	814	943	3,888
Purchase of intangible assets	(100,001)	(258,457)	(498,523)	(372,163)
Purchase of property, plant and equipment	(2,440)	(614)	(440,334)	(12,817)
Proceeds from disposal of property, plant and equipment	-	212	240	212
Net cash used in investing activities	(102,017)	(258,045)	(937,674)	(380,880)
Cash flows from financing activities:				
Repayment to former subsidiary	91,558	(15,000)	(151,177)	(30,000)
Deposit at call pledged	-	149,866	-	-
Proceeds from borrowings	265,000	300,000	1,295,000	300,000
Repayment of borrowings	(14,864)	(371,448)	(376,807)	(2,201,689)
Repayment of finance leases	(7,549)	(7,420)	(22,103)	(22,095)
Interest paid	(56,635)	(6,902)	(118,729)	(138,839)
Net cash generated from/(used in) financing activities	277,510	49,096	626,184	(2,092,623)
Net decrease in cash and cash equivalents	(262,144)	(310,917)	(515,709)	(2,681,592)
Cash and cash equivalents at the beginning of the year	475,443	755,055	729,008	3,125,730
Cash and cash equivalent at the end of the quarter	213,299	444,138	213,299	444,138

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

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Other Reserves	Total	Non- Controlling Interest	Total Equity
GROUP	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>3 months ended 30 September 2016</u>								
At 1 July 2016	119,912,067	380,436	(105,274,597)	2,272,096	(10,429,690)	6,860,312	(96,967)	6,763,345
Loss	-	-	(893,695)	-	-	(893,695)	(90,421)	(984,116)
Other Comprehensive income	-	111,139	-	-	-	111,139	-	111,139
Total comprehensive income/(loss)	-	111,139	(893,695)	-	-	(782,556)	(90,421)	(872,977)
Balance as at 30 September 2016	119,912,067	491,575	(106,168,292)	2,272,096	(10,429,690)	6,077,756	(187,388)	5,890,368
GROUP	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>3 months ended 30 September 2015</u>								
At 1 July 2015	119,912,067	1,795,842	(108,257,533)	(425,566)	(10,626,467)	2,398,343	30,476	2,428,819
Loss	-	-	(1,013,796)	-	-	(1,013,796)	(36,346)	(1,050,142)
Other Comprehensive (loss)/income	-	(1,801,363)	-	(253,562)	-	(2,054,925)	19,495	(2,035,430)
Total comprehensive loss	-	(1,801,363)	(1,013,796)	(253,562)	-	(3,068,721)	(16,851)	(3,085,572)
Balance as at 30 September 2015	119,912,067	(5,521)	(109,271,329)	(679,128)	(10,626,467)	(670,378)	13,625	(656,753)

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
COMPANY	S\$	S\$	S\$	S\$
<u>3 months ended 30 September 2016</u>				
At 1 July 2016	119,912,067	85,919	(110,528,104)	9,469,882
Loss	-	-	(236,774)	(236,774)
Total comprehensive loss	-	-	(236,774)	(236,774)
Balance as at 30 September 2016	119,912,067	85,919	(110,764,878)	9,233,108
COMPANY	S\$	S\$	S\$	S\$
<u>3 months ended 30 September 2015</u>				
At 1 July 2015	119,912,067	85,919	(101,762,572)	18,235,414
Loss	-	-	(440,473)	(440,473)
Total comprehensive loss	-	-	(440,473)	(440,473)
Balance as at 30 September 2015	119,912,067	85,919	(102,203,045)	17,794,941

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Other Reserve	Total	Non- Controlling Interest	Total Equity
GROUP	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>9 months ended 30 September 2016</u>								
At 1 January 2016	119,912,067	865,650	(110,176,659)	2,181,604	(10,429,690)	2,352,972	24,472	2,377,444
Profit/Loss	-	-	4,008,367	-	-	4,008,367	(211,860)	3,796,507
Other Comprehensive (loss)/income	-	(374,075)	-	90,492	-	(283,583)	-	(283,583)
Total comprehensive (loss)/income	-	(374,075)	4,008,367	90,492	-	3,724,784	(211,860)	3,512,924
Balance as at 30 September 2016	119,912,067	491,575	(106,168,292)	2,272,096	(10,429,690)	6,077,756	(187,388)	5,890,368
GROUP	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>9 months ended 30 September 2015</u>								
At 1 January 2015 (previously reported)	119,912,067	383,940	(101,958,477)	(266,620)	(10,626,467)	7,444,443	126,778	7,571,221
Prior year adjustments	-	-	(2,911,728)	-	-	(2,911,728)	-	(2,911,728)
At 1 January 2015 (restated)	119,912,067	383,940	(104,870,205)	(266,620)	(10,626,467)	4,532,715	126,778	4,659,493
Loss	-	-	(4,401,124)	-	-	(4,401,124)	(141,918)	(4,543,042)
Other Comprehensive (loss)/income	-	(389,461)	-	(412,508)	-	(801,969)	28,765	(773,204)
Total comprehensive income/(loss)	-	(389,461)	(4,401,124)	(412,508)	-	(5,203,093)	(113,153)	(5,316,246)
Balance as at 30 September 2015	119,912,067	(5,521)	(109,271,329)	(679,128)	(10,626,467)	(670,378)	13,625	(656,753)

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
COMPANY	S\$	S\$	S\$	S\$
<u>9 months ended 30 September 2016</u>				
At 1 January 2016	119,912,067	85,919	(110,021,448)	9,976,538
Loss	-	-	(743,430)	(743,430)
Total comprehensive loss	-	-	(743,430)	(743,430)
Balance as at 30 September 2016	119,912,067	85,919	(110,764,878)	9,233,108
COMPANY	S\$	S\$	S\$	S\$
<u>9 months ended 30 September 2015</u>				
At 1 January 2015	119,912,067	85,919	(100,763,252)	19,234,734
Loss	-	-	(1,439,793)	(1,439,793)
Total comprehensive loss	-	-	(1,439,793)	(1,439,793)
Balance as at 30 September 2015	119,912,067	85,919	(102,203,045)	17,794,941

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

None, not applicable

- 1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	As at 30 September 2016	As at 31 December 2015
Total number of issued shares	1,097,505,101	1,097,505,101
Less: Treasury Shares	Nil	Nil
Total number of issued shares excluding treasury shares	1,097,505,101	1,097,505,101

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

Not applicable.

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

The financial results of the Group for the quarter ended 30 September 2016 have not been audited or reviewed.

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

The financial results of the Group for the quarter ended 30 September 2016 have not been audited or reviewed.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements as at 31 December 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the changes.**

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

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per share

	Group		Group	
	Quarter ended 30 September 2016	Quarter ended 30 September 2015	9 Months ended 30 September 2016	9 Months ended 30 September 2015
Loss per ordinary share for the year after deducting any provision for preference dividend:-				
Basic and fully diluted				
Group (Singapore cents)	(0.08)	(0.09)	0.37	(0.40)
Weighted average number of ordinary shares for the purposes of computing basic and diluted earnings per share	1,097,505,101	1,097,505,101	1,097,505,101	1,097,505,101
(Loss)/Profit attributable to owners of the Company (\$\$)	(893,695)	(1,013,796)	4,008,367	(4,401,124)

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

	As at 30 September 2016	As at 31 December 2015
Net asset value per ordinary share based on existing issued share capital at the end of the period :-		
(i) Based on number of ordinary shares		
Group (Singapore cents)	0.55	0.21
Company (Singapore cents)	0.84	0.91
Number of shares in issue applicable to net asset value per ordinary share	1,097,505,101	1,097,505,101

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

(a) Income Statement

Revenue

For Q3 FY2016, revenue decreased by 36% or by S\$0.3 million from S\$0.7 million in Q3 FY2015 to S\$0.5 million in Q3 FY2016.

For 9M FY2016, revenue decreased by 40% or by S\$1.1 million from S\$2.8 million in 9M FY2015 to S\$1.7 million in 9M FY2016 as the Group recorded lower revenue from its media sales segment from its subsidiary Hub Media Group Pte Ltd ("Hub Media").

Loss before tax

The Group recorded a loss before tax of approximately S\$1 million in Q3 FY2016 and a profit before tax of approximately S\$4 million in 9M FY2016 as compared to a loss before tax of approximately S\$1.1 million and S\$4.5 million in Q3 FY2015 and 9M FY2015 respectively. The loss before tax in Q3 FY2016 was mainly due to lower revenue recorded as explained earlier above and profit before tax in 9M FY2016 was mainly due to the waiver of loan and interest payment of S\$6.3 million.

Comprehensive income/(loss)

The Group recorded other comprehensive income of approximately S\$0.1 million in Q3 FY2016 as compared to the other comprehensive loss of approximately S\$2 million in Q3 FY2015.

The Group recorded other comprehensive loss of approximately S\$0.3 million in 9M FY2016 as compared to the other comprehensive loss of approximately S\$0.8 million in 9M FY2015.

Expenses

- (1) **Cost of media sales** in Q3 FY2016 was attributed to Hub Media mainly for the amortisation of media content. The media content license fee are amortized over the period of their estimated useful life of between 2 to 6 years.
- (2) **Administrative expenses** decreased by approximately of S\$0.1 million in Q3 FY2016 as compared to Q3 FY2015 due mainly to lower employee cost.
- (3) **Other income** decreased by approximately of S\$0.1 million in Q3 FY2016 as compared to Q3 FY2015 due mainly to lower foreign exchange gain.
- (4) **Other expenses** increased by approximately of S\$0.1 million in Q3 FY2016 as compared to Q3 FY2015 as the Group recorded foreign exchange loss in FY2016.
- (5) **Finance income** comprised of interest income from bank deposits.
- (6) **Finance cost** increased by S\$0.1 million in Q3 FY2016 as compared to Q3 FY2015. The increase was due mainly to the increase in the interest expenses on borrowings as the cost of fund increased.

	Q3 FY2016	Q3 FY2015	Variance
	S\$'000	S\$'000	S\$'000
Interest expenses on borrowings	98	36	62
Interest expenses on advances from other payables	28	33	(5)
Total	126	69	57

- (7) The Group recorded share of profit from associated company in Q3 FY2016 compared to share of loss in Q3 FY2015.

(b) Consolidated Balance Sheet and Cash Flow:

The **net current liabilities** of the Group was approximately S\$8.7 million as at 30 September 2016 as compared to net current liabilities of S\$13.3 million as at 31 December 2015.

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

The decrease of approximately S\$4.6 million in net current liabilities was primarily due to:

- 1a. **Cash and Cash Equivalent** decreased by approximately S\$0.5 million. This was due to the Group having used S\$0.2 million in its operating activities, net cash used in investing activities of S\$0.9 million and net cash generated from financing activities of S\$0.6 million.

The cash used in investing activities of S\$0.9 million was due mainly to the amortisation of intangible assets and purchase and depreciation of equipment in current quarter, see note 8(b)(2c)(2e) below.

The cash generated from financing activities of S\$0.6 million was due mainly due to the proceeds from borrowings. The increase were offset by the repayment of borrowings and related interests to former subsidiary and banks.

- 1b. **Financial Assets, available for sale** comprised quoted security listed in Singapore which was disposed in Q2 FY2016.
- 1c. The increase in **trade receivables** were mainly from subsidiary Hub Media as invoiced customers for co-production investment.
- 1d. The **other current assets** comprised of prepayments and deposit paid.
- 1e. **Trade and other payables** decreased by approximately S\$0.1 million. This was due mainly to payment made to suppliers.
- 1f. **Borrowings** refer to the current portion of the bank term loans, hire purchase creditors and third party loans.

The net non-current assets of the Group was approximately S\$14.6 million as at 30 September 2016 as compared with S\$15.7 million as at 31 December 2015. The decrease of approximately S\$1.1 million was mainly due to:

- 2a. **Investments in associated companies** decreased mainly due from the Group's share in net losses.
- 2b. **Financial assets, available for sale** increased by approximately S\$0.1 million mainly due to the fair value gain recognized in other comprehensive income in Q3 FY2016.
- 2c. The increase in **Property, plant and equipment** was due to the addition of lease improvement, furniture and equipment for a newly set up pre-school and was reduced by the depreciation charged for the period.
- 2d. The decrease in **Investment properties** was due to the depreciation charged for the period.
- 2e. The decrease in **Intangible assets** was due to the amortisation charged for the period for Content license fees. See also note 8(a)(1).
- 2f. **Other non-current assets** refer to the long term portion of the deposit paid for rental.
- 2g. **Borrowings** refer to the long term portion of the bank term loans for property, hire purchase creditors and a third party loan.
- 2h. **Financial liability, at fair value through profit or loss** refer to the long term portion of the economic right on quoted securities payable to former subsidiary. The decrease was due to fair value gain recognized for the period.

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

No forecast or prospect statement was made previously.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting year and the next 12 months

Consumer Business

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

Our first Hi-5 House of Learning preschool centre has officially opened on 10 June 2016 and commenced operation at 10 Hoe Chiang Road, #01-03 Keppel Towers, Singapore 089315. The preschool centre is going through the development phase and we expect the operation to be stabilised towards the end of the year.

Convertible note

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

11. Dividend

(a) Current Financial Year Reported On 30 September 2016

Any dividend declared for the current financial year reported on?

Not applicable.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

Not Applicable.

(d) Books closure date

Not applicable.

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

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

13. Summary of Interested Person Transactions

Summary of Interested Person Transactions for the financial period ended 30 June 2016

There is no general mandate on Interested Person Transactions.

The aggregate value of interested person transactions for the period ended 30 September 2016 is as follows:

Group				
Name of interested person and nature of transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 excluding (excluding transactions less than S\$100,000)	
	9M ended 30 September 2016	9M ended 30 September 2015	9M ended 30 September 2016	9M ended 30 September 2015
Datuk Jared Lim Chih Li	N.A.	N.A.	N.A.	N.A.
Mr. Ng Teck Wah	N.A.	N.A.	N.A.	N.A.

Material Contracts

Save as disclosed above, there were no other material contracts of the Company and its subsidiaries involving the interests of the Managing Director, any director or controlling shareholders for Q3 and 9M ended 30 September 2016.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim results of the Group for the Q3 and 9M ended 30 September 2016 to be false and misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
14 November 2016

Jaleeludeen Bin Abu Baker
Audit Committee Chairman
14 November 2016