

ATTILAN GROUP LIMITED

Registration Number 199906459N
(Incorporated in the Republic of Singapore)

DIFFERENCES BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors of Attilan Group Limited (the “Company” and together with its subsidiaries, the “Group”) refer to the unaudited full year financial results announcement for the financial year ended 31 December 2016 (“FY2016”) released via the SGX-NET on 1 March 2017 (the “**Unaudited Financial Statements**”). Further reference is made to the Audited Financial Statements of the Company for FY2016 (the “**Audited Financial Statements**”) which will be provided to shareholders and the SGX-ST in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain adjustments made by the Company to the Consolidated Statement of Comprehensive Income, Statements of Financial Position and Consolidated Statement of Cash Flows in the Audited Financial Statements compared to what was disclosed in the Unaudited Financial Statements.

Below is a comparison between the earlier announced Unaudited Financial Statements and the Audited Financial Statements. Details of the material variances and reasons for such variances are set out in the explanatory notes below.

Consolidated Statement of Comprehensive Income

	Audited Financial Statements	Unaudited Financial Statements	Change	Note
	S\$	S\$	S\$	
(Loss)/Profit after tax attributable to:				
Owner of the Company	(11,747,069)	1,932,022	(13,679,091)	a,b,c,d
Non-controlling interest	(299,242)	(299,242)	-	
	<u>(12,046,311)</u>	<u>1,632,780</u>		
Total comprehensive (loss)/income attributable to:				
Owner of the Company	(13,019,873)	2,008,836	(15,028,709)	a,b,c,d,e
Non-controlling interest	(292,242)	(292,242)	-	
	<u>(13,312,115)</u>	<u>1,716,594</u>		

Statements of Financial Position

	Audited Financial Statements S\$	Unaudited Financial Statements S\$	Change S\$	Note
ASSETS				
Current Assets:				
Cash and bank balances	517,224	517,224	-	
Trade receivables	84,445	84,445	-	
Other current assets	3,144,881	789,487	2,355,394	a
Total Current Assets	3,746,550	1,391,156		
Non-Current Assets:				
Investment in associated companies	1,922,726	1,922,726	-	
Financial assets, available-for-sales	3,738,005	5,085,592	(1,347,587)	e
Property, plant and equipment	614,369	614,369	-	
Investment properties	2,151,944	2,151,944	-	
Intangible assets	450,000	1,977,547	(1,527,547)	c
Other non-current asset	119,013	119,013	-	
Goodwill	-	5,772,203	(5,772,203)	b
Total Non-Current Assets	8,996,057	17,643,394		
Total Assets	12,742,607	19,034,550		
Current Liabilities				
Trade and other payables	8,948,811	8,948,811	-	
Financial guarantee contract	8,736,766	-	8,736,766	a
Borrowings	1,734,513	1,734,513	-	
Total Current Liabilities	19,420,090	10,683,324		
Non-Current Liabilities				
Financial liability, at fair value through profit or loss	2,876,192	2,876,192	-	
Other payables	96,720	96,720	-	
Borrowings	1,291,276	1,291,276	-	
Total Non-Current Liabilities	4,264,188	4,264,188		
Total Liabilities	23,684,278	14,947,512		
Equity Attributable to Owners of the Company				
Share capital	119,912,067	119,912,067	-	
Accumulated losses	(121,923,728)	(108,244,637)	(13,679,091)	a,b,c,d
Foreign currency translation reserve	849,942	851,972	(2,030)	d
Other reserves	(10,429,690)	(10,429,690)	-	
Fair value reserve	924,508	2,272,096	(1,347,588)	e
Total Shareholders' Funds	(10,666,901)	4,361,808		
Non-controlling Interests	(274,770)	(274,770)	-	
Total Equity	(10,941,671)	4,087,038		
Total Liabilities and Equity	12,742,607	19,034,550		

Notes:-

- (a) The Company provided a financial guarantee for the benefit of a subsidiary of the Company, Tremendous Asia Management Inc (“TAMI”). Subsequently as part of a sale announced on 6 May 2014, TAMI was disposed of and ceased to be a subsidiary of the Company. As part of the sale, TAMI gave a counter indemnity to the Company against all or any losses suffered by the Company as a result of the financial guarantee.

Subsequent to the financial year end, the Company received a writ of summons from the fund to claim for approximately US\$6,040,770 (S\$8,736,766) pursuant to the financial guarantee provided by the Company. If there is any loss suffered by the Company on this writ of summons, the Company will be seeking to claim on the counter indemnity given by TAMI. Management has recognised a provision amounting to 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 and other current assets of S\$2,355,394 which represents the estimated fair value of the counter indemnity recoverable from TAMI.

- (b) The Group made a full impairment loss of S\$5,772,203 to write down the Group’s goodwill in Media Sales. The impairment loss arose as the cash-generating units (“CGU”) continued to incur operating and projected losses.
- (c) The Group recognised impairment losses amounting to S\$1,527,547 from content licenses and productions which have been incurring losses or terminated.
- (d) Decrease in foreign currency translation reserve due to the exchange differences on translating the foreign operations of the associate to the associate’s functional currency in RM.
- (e) The Group recognised fair value loss amounting to S\$1,347,587 from investment in TAP Harimau Fund L.P.

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
5 April 2017