

Unaudited Financial Statement and Dividend Announcement – For Quarter 1 FY2018 from 1 January 2018 to 31 March 2018

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

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

Unaudited Consolidated Income Statement

	Group		
	As at 31-Mar-18	As at 31-Mar-17	Increase / (Decrease)
	S\$	S\$	%
Revenue	538,567	494,689	9%
Cost of sales	(65,321)	(71,492)	-9%
Administrative expenses	(663,021)	(1,137,696)	-42%
Other income - net	223,704	265,599	-16%
Profit / (Loss) from operations	33,929	(448,900)	nm
Finance income	14	11	27%
Finance costs	(33,272)	(48,633)	-32%
Share of profit of associated company	178,317	183,012	-3%
Profit / (Loss) before tax	178,988	(314,510)	nm
Income tax refund	14,678	-	nm
Profit / (Loss) after tax	193,666	(314,510)	nm
Profit / (Loss) attributable to:			
Owners of the Company	259,749	(239,558)	nm
Non-controlling interest	(66,083)	(74,952)	-12%
	193,666	(314,510)	nm

nm = not meaningful

Unaudited Consolidated Statement of Comprehensive Loss

	Group		
	As at 31-Mar-18	As at 31-Mar-17	Increase / (Decrease)
	S\$	S\$	%
Profit / (Loss) after tax	193,666	(314,510)	nm
Other comprehensive (loss)/income, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(332,407)	238,770	nm
Net fair value (loss)/gain on financial assets, available-for-sale	-	4,205	nm
Share of other comprehensive loss of associated company:			
Exchange differences on translation of foreign operations	(33,453)	(470,715)	-93%
Other comprehensive (loss) for the period, net of tax	(365,860)	(227,740)	61%
Total comprehensive (loss) for the period	(172,194)	(542,250)	-68%
Total comprehensive (loss) attributable to:			
Owners of the Company	(106,111)	(467,298)	-77%
Non-controlling interest	(66,083)	(74,952)	-12%
	(172,194)	(542,250)	-68%

nm = not meaningful

Notes to the Statement of Comprehensive Income

	Group	
	As at 31-Mar-18	As at 31-Mar-17
	S\$	S\$
Depreciation and amortisation expenses	(137,348)	(109,532)
Fair value gain on financial liability, at fair value through profit or loss	83,368	83,368
Finance income	14	11
Finance costs	(33,272)	(48,633)
Foreign exchange (loss)/gain - net	130,179	173,031
Share of loss of associated company	178,317	183,012

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 31 March 2018	As at 31 December 2017	As at 31 March 2018	As at 31 December 2017
	S\$	S\$	S\$	S\$
ASSETS				
Current Assets				
Cash and bank balances	179,690	320,498	87,967	213,591
Trade receivables	80,374	77,238	-	-
Other current assets	3,196,235	2,973,472	1,247,536	1,225,486
Amount due from subsidiaries	-	-	4,073,676	3,754,516
Total Current Assets	3,456,299	3,371,208	5,409,179	5,193,593
Non-Current Assets				
Investments in subsidiaries	-	-	141,498	141,498
Investments in associated company	910,766	1,113,158	-	-
Financial assets, available-for-sale	2	2	-	-
Property, plant and equipment	264,299	330,699	79,151	98,340
Investment properties	2,097,314	2,108,240	-	-
Intangible assets	920,234	978,850	-	-
Other non-current assets	119,013	119,013	-	-
Amount due from subsidiaries	-	-	2,221,435	2,221,435
Total Non-Current Assets	4,311,628	4,649,962	2,442,084	2,461,273
Total Assets	7,767,927	8,021,170	7,851,263	7,654,866
Current Liabilities				
Trade and other payables	9,787,041	9,497,113	4,219,994	3,733,315
Financial guarantee contracts	32,706,594	33,023,698	32,706,594	33,023,698
Borrowings	1,554,992	1,526,870	18,654	24,740
Total Current Liabilities	44,048,627	44,047,681	36,945,242	36,781,753
Non-Current Liabilities				
Financial liability, at fair value through profit or loss	2,459,353	2,542,721	-	-
Provision for reinstatement cost	96,720	96,720	-	-
Borrowings	1,550,259	1,548,886	856,353	856,353
Total Non-Current Liabilities	4,106,332	4,188,327	856,353	856,353
Total Liabilities	48,154,959	48,236,008	37,801,595	37,638,106
Equity Attributable to Owners of the Company				
Share capital	120,312,067	120,312,067	120,312,067	120,312,067
Accumulated losses	(149,847,224)	(150,106,973)	(150,348,318)	(150,381,226)
Foreign currency translation reserve	201,562	567,422	85,919	85,919
Other reserve	(10,429,690)	(10,429,690)	-	-
Total Shareholders' Funds	(39,763,285)	(39,657,174)	(29,950,332)	(29,983,240)
Non-controlling Interests	(623,747)	(557,664)	-	-
Total Equity	(40,387,032)	(40,214,838)	(29,950,332)	(29,983,240)
Total Liabilities and Equity	7,767,927	8,021,170	7,851,263	7,654,866

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

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

As at 31 March 2018		As at 31 December 2017	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
1,554,992	-	1,526,780	-

(B) Amount repayable after one year

As at 31 March 2018		As at 31 December 2017	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
700,259	850,000	698,886	850,000

(C) Whether the amounts are secured or unsecured

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

(D) Details of any collateral:

- (1) The Company is a corporate guarantor for a term loan granted to a wholly owned subsidiary. The term loan is for the purchase of a leasehold property and is secured by the said property.
- (2) The Group's motor vehicles are purchased under Hire Purchase and are secured by the said vehicles.
- (3) The Company is a corporate guarantor to a fund managed by a former subsidiary for the fund's investee company secured redeemable notes. The Company has a back to back indemnity from the former subsidiary for the amount guaranteed by the Company and is working towards the eventual release of the corporate guarantee. The company has made a provision for the corporate guarantee expense amounting to US\$6,040,770 in year 2016. (The above accounts has taken the Philip loan in 2016) respectively.

As stated in its announcements dated 14 March 2017 and 7 June 2017, the Company is currently involved in a legal suit with Phillip Asia Opportunity Fund Ltd. in the High Court in Singapore. In light of this legal suit, there has been a significant change in the Company's financial position since the legal suit cannot be settled amicably. Consequently, this has resulted in the Put Option and Indemnity being regarded as material taking into account the Company's net liabilities and financial condition. Accordingly, the Company has recognized the Put Option and the Indemnity amounting to S\$24,500,000 as liabilities and make the necessary provisions in its financial statements which were not taken into account in prior years.

- (4) Term loans are granted to subsidiaries which are secured by personal guarantees by key management of the subsidiaries, assignment of sale proceeds from receivable of subsidiary, assignment of proceeds from property sale of a subsidiary and debenture on assets of a subsidiary.

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	
	Quarter Ended 31 March 2018	Quarter Ended 31 March 2017
	S\$	S\$
Cash flows from operating activities:		
(Loss)/Profit before tax	178,988	(314,510)
Depreciation and amortisation expenses	137,348	109,533
Fair value loss / (gain) on financial liability, at fair value	(83,368)	(83,368)
Finance costs	33,272	48,633
Finance income	(14)	(11)
Share of loss of associated company	(178,317)	(183,012)
Unrealised foreign currency loss/(gain)	12,255	(172,488)
Operating cash flows before changes in working capital	100,164	(595,223)
Changes in working capital:		
Financial assets, available-for-sale	-	4,204
Trade and other receivables and other current assets	(214,073)	3,127
Trade and other payables	(165,424)	(348,001)
Net cash (used in)/from operations	(279,333)	(935,893)
Income tax refund	14,678	-
Net cash (used in)/from operating activities	(264,655)	(935,893)
Cash flows from investing activities:		
Interest received	14	11
Purchase of property, plant and equipment	(1,120)	-
Net cash (used in)/from investing activities	(1,106)	11
Cash flows from financing activities:		
Proceeds from borrowings	300,000	-
Repayment of borrowings	(264,864)	750,000
Repayment of finance leases	(15,159)	(209,864)
Advances from/(Repayment to) former subsidiary	104,976	(7,627)
Interest paid	-	10,929
Net cash generated from financing activities	124,953	543,438
Net increase/(decrease) in cash and cash equivalents	(140,808)	(392,444)
Cash and cash equivalents at the beginning of the year	320,498	517,224
Cash and cash equivalent at the end of the quarter	179,690	124,780

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 31 March 2018</u>								
At 1 January 2018	120,312,067	567,422	(150,106,973)	-	(10,429,690)	(39,657,174)	(557,664)	(40,214,838)
Conversion of shares from convertible notes	-	-	-	-	-	-	-	-
Profit / (Loss) for the Year	-	-	259,749	-	-	259,749	(66,083)	193,666
Other comprehensive (loss)/income	-	(365,860)	-	-	-	(365,860)	-	(365,860)
Total comprehensive (loss)/income	-	(365,860)	259,749	-	-	(106,111)	(66,083)	(172,194)
Balance as at 31 March 2018	120,312,067	201,562	(149,847,224)	-	(10,429,690)	(39,763,285)	(623,747)	(40,387,032)
<u>3 months ended 31 March 2017</u>								
At 1 January 2017	119,912,067	849,942	(146,423,728)	924,508	(10,429,690)	(35,166,901)	(274,770)	(35,441,671)
Conversion of shares from convertible notes	300,000	-	-	-	-	300,000	-	300,000
Loss for the Year	-	-	(239,558)	-	-	(239,558)	(74,952)	(314,510)
Other comprehensive (loss)/income	-	(231,945)	-	4,205	-	(227,740)	-	(227,740)
Total comprehensive (loss)/income	-	(231,945)	(239,558)	4,205	-	(467,298)	(74,952)	(542,250)
Balance as at 31 March 2017	120,212,067	617,997	(146,663,286)	928,713	(10,429,690)	(35,334,199)	(349,722)	(35,683,921)

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
Company	S\$	S\$	S\$	S\$
<u>3 months ended 31 March 2018</u>				
At 1 January 2018	120,312,067	85,919	(150,381,226)	(29,983,240)
Conversion of shares from convertible notes	-	-	-	-
Profit / (Loss) for the Year	-	-	32,908	32,908
Total comprehensive loss	-	-	32,908	32,908
Balance as at 31 March 2018	120,312,067	85,919	(150,348,318)	(29,950,332)
<u>3 months ended 31 March 2017</u>				
At 1 January 2017	119,912,067	85,919	(150,028,032)	(30,030,046)
Conversion of shares from convertible notes	300,000	-	-	300,000
Loss for the Year	-	-	(99,211)	(99,211)
Total comprehensive loss	-	-	(99,211)	(99,211)
Balance as at 31 March 2017	120,212,067	85,919	(150,127,243)	(29,829,257)

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

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

Issued and fully paid (ordinary shares ("Shares"))	No. of Shares	Share Capital (S\$)
As at 1 January 2018	1,238,708,804	120,312,067
NIL	NIL	NIL
As at 31 March 2018	1,238,708,804	120,312,067

The number of Shares that may be issued on conversion of the outstanding convertibles as at 31 December 2017 is as follows:

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

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

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

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

Not applicable.

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

The financial results of the Group for the year ended 31 March 2018 have not been audited or reviewed.

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

The financial results of the Group for the year ended 31 March 2018 have not been audited or reviewed

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

The Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements as at 31 December 2016.

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	
	Quarter ended 31 March 2018	Quarter ended 31 March 2017
Profit/(Loss) per ordinary share for the year after deducting any provision for preference dividend:-		
Basic and fully diluted		
Group (Singapore cents)	0.02	(0.02)
Weighted average number of ordinary shares for the purposes of computing basic and diluted earnings per share	1,238,708,804	1,164,146,047
Profit/(Loss) attributable to owners of the Company (\$\$)	259,749	(239,558)

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 31 March 2018	As at 31 December 2017
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)	(3.21)	(3.20)
Company (Singapore cents)	(2.42)	(2.42)
Number of shares in issue applicable to net asset value per ordinary share	1,238,708,804	1,238,708,804

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

(a) **Income Statement**

Revenue

For Q1 FY2018, revenue increased by 9% or by S\$0.04 million from S\$0.5 million in Q1 FY2017 to S\$0.54 million in Q1 FY2018 due to higher management fees income recorded and improved revenue from preschool division.

Profit/(Loss) before tax

The Group recorded a profit before tax of approximately S\$0.2 million in Q1 FY2018 as compared to a loss before tax of approximately S\$0.3 million in Q1 FY2017. The profit before tax in Q1 FY2018 was mainly due to share of profit of the associated company and higher management fees income recorded.

Comprehensive income / (loss)

The Group recorded other comprehensive loss of approximately S\$0.4 million in Q1 FY2018 and approximately S\$0.2 million in Q1 FY2017 respectively.

The other comprehensive income in Q1 FY2018 and Q1 FY2017 were mainly due from the exchange differences on translation of foreign exchanges and share of comprehensive loss of associated company.

Expenses

- (1) **Cost of sales** in Q1 FY2018 due mainly to the amortization of pre-school licenses. The decrease is due to the lesser purchase of the media contents and increase in amortization for pre-school license.
- (2) **Administrative expenses** decreased by approximately of S\$0.5 million in Q1 FY2018 as compared to Q1 FY2017 due mainly to lower employee costs and professional fees incurred.
- (3) **Other income** decreased by approximately of S\$0.04 million in Q1 FY2018 as compared to Q1 FY2017 which recorded a lower foreign exchange gain recognized in Q1 FY2018.
- (4) **Finance income** comprised of interest income from bank deposits.
- (5) **Finance cost** decreased by S\$0.01 million in Q1 FY2018 as compared to Q1 FY2017. It was due to the decrease in interest expenses on advances from other payables.

	Q1 FY2018	Q1 FY2017	Variance
	S\$'000	S\$'000	S\$'000
Interest expenses on borrowings	11	7	4
Interest expenses on advances from other payables	23	42	(19)
Total	34	49	(15)

- (6) The Group recorded lower share of loss from associated company in Q1 FY2018 as compared to Q1 FY2017.

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

The **net current liabilities** of the Group was approximately S\$40.6 million as at 31 March 2018 as compared to S\$40.7 million at 31 December 2017.

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

The decrease of approximately S\$0.1 million in net current liabilities was primarily due to:

- 1a. **Cash and Cash Equivalent** decreased by approximately S\$0.2 million. This was due to the Group having used S\$0.3 million in its operating activities, and net cash generated from financing activities of S\$0.1 million.

The cash generated from financing activities of S\$0.1 million was due mainly due to the proceeds from borrowings. The increase was partially offset by the repayment of borrowings and banks.

- 1b. The **other current assets** comprised of prepayments and deposit paid.
- 1c. **Trade and other payables** increased by approximately S\$0.3 million. This was mainly due to the advances made by Tremendous Asia Management Inc for working capital purposes during the period.
- 1d. **Borrowings** refer to the current portion of the bank term loans, hire purchase creditors and third party loans.

The net non-current assets of the Group was approximately S\$0.2 million as at 31 March 2018 as compared with S\$0.5 million as at 31 December 2017. The decrease of S\$0.3 million was mainly due to:

- 2a. **Investments in associated companies** decreased mainly due from the Group's share in net losses.
- 2b. The decrease in **Property, plant and equipment** was due to the depreciation charged for the quarter.
- 2c. The decrease in **Investment properties** was due to the depreciation charged for the year.
- 2d. The decrease in **Intangible assets** was due to the amortization charged of franchise license fees for the quarters.
- 2f. **Other non-current assets** refer to the long term portion of the deposit paid for rental.
- 2g. **Borrowings** refer to the convertible notes and long term portion of the bank term loans for property, hire purchase creditors and third party loans.
- 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 quarter

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

No forecast or prospect statement was made previously.

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

The preschool division 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.

As per company announcement dated 01 March 2018 and 26 March 2018, the company has decided not to proceed with the scheme of arrangement for the time being and it is in negotiations with the creditors for a bilateral settlement. The company is still in the process of negotiating with Phillip Asia for the release of the corporate guarantee.

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

11. Dividend

(a) Current Financial Year Reported On 31 March 2018

Any dividend declared for the current financial year reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend has been declared for the corresponding year of the immediately preceding financial year ended 31 December 2017.

(c) **Date payable**

Not Applicable.

(d) **Books closure date**

Not applicable.

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

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

13. Summary of Interested Person Transactions

Summary of Interested Person Transactions for the financial period ended 31 March 2018

There is no general mandate on Interested Person Transactions.

The aggregate value of interested person transactions for the period ended 31 March 2018 is as follows:

Group				
Name of interested person and nature of transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 excluding (excluding transactions less than S\$100,000)	
	Quarter ended 31 March 2018	Quarter ended 31 March 2017	Quarter ended 31 March 2018	Quarter ended 31 March 2017
Datuk Jared Lim Chih Li	N.A.	N.A.	N.A.	N.A.
Mr. Ng Teck Wah	N.A.	N.A.	N.A.	N.A.

Material Contracts

Save as disclosed above, there were no other material contracts of the Company and its subsidiaries involving the interests of the Managing Director, any director or controlling shareholders for the year ended 31 March 2018.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited final results of the Group for the year ended 31 December 2017 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
15 May 2018

Jaleeludeen Bin Abu Baker
Audit Committee Chairman
15 May 2018