ANNUAL REPORT

2016

ATTILAN

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 2016 ("FY2016").

Financial review

Our revenue decreased by 43% or by S$1.7 million from S$4.1 million in FY2015 to S$2.3 million in FY2016 as the Group recorded lower revenue from its media sales segment.

Our Group recorded a loss after tax of S$12.0 million for FY2016 as compared to a loss after tax of S$5.3 million for FY2015. This was mainly due to the recognition of a financial guarantee contract of S$8.7 million and a higher impairment of goodwill and intangible assets in the same year. As a result, loss attributable to owners of the Company increased by 121% from S$5.3 million in FY2015 to S$11.7 million, resulting in an increase in loss per share to $1.07.

Operational and Corporate Development

As part of our streamlining exercise, the Company completed the disposal of its investment in, ISR Capital Limited ("ISR"). Following the completion, the Company no longer has any equity interest in ISR and ceased to be a shareholder of ISR.

The Company has entered into a subscription agreement for the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018, with aggregate principal amount of up to S$50 million in eight tranches.

Education

Our first Hi-5 House of Learning preschool centre has officially opened on 10 June 2016 and commenced operation at 10 Hoe Chiang Road, Keppel Towers #01-01/03, Singapore 089315. The preschool centre is going through the development phase and we expect the preschool business to expand towards the end of year 2017.

Media Content

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.

Outlook

The Group has diversified into the early education business and has made a decision to focus on Media and Education going forward. We identified the Hi-5 preschool brand and acquired the licensing rights for Singapore in December 2015. We opened our first preschool under the name of Hi-5 House of Learning ("HOL") in June 2016 with an approved capacity of 107 students and the enrollment has been encouraging.

MANAGING DIRECTOR'S STATEMENT

The Group plans to actively source for more preschools as acquisition targets in order to re-brand them under the umbrella of the Hi-5 brand as well as growing organically when the opportunity presents itself.

In addition, we also have plans to acquire the HOL rights for Malaysia where the Group sees tremendous growth potential. The Company aims to develop HOL into a strong contender in the preschool industry.

In the meantime, we are also developing our media business through our subsidiary Hub Media and aim to be a leading content aggregator for broadcast platforms in the region as well as building up our content production business.

Appreciation

It has been a difficult year in 2016 as we have spent much of it restructuring the business model and streamlining the Group. We are going back to basics and rebuilding the business step by step. There are some financial challenges in relation to our creditors and we are structuring a repayment plan to address these issues. Amidst these challenges, one silver lining has been the support and assistance we have received from our various stakeholders. To our Board, I would like to thank you for your invaluable contribution and support. To our management and staff, your hard work and dedication is only matched by your resilience. Ultimately, it will be our people who make the real difference in getting us through this difficult period.

I would like to conclude by expressing my heartfelt appreciation to our shareholders for your continued support all these years and for your continued confidence in us, particularly given the challenging business environment.

Thank you.

Datuk Jared Lim Chih Li
Managing Director

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 a Director of Chaswood Resources Holdings Ltd. He is 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 his conviction that it was timely to start 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 corporate adviser in United Kingdom from year 2002 to 2004 and subsequently as a practicing lawyer in Hong Kong for one year before he was appointed as Executive Director in Association of Himalayan Yoga Meditation Societies International 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.

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, Kuala Lumpur in 1995.

Jaleeludeen was the 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 Singh Pannu a/l Gajjan Singh (Note1)
Independent Director

Jaleeludeen Bin Abu Baker (Note 1 and 2)
Independent Director

COMPANY SECRETARY
Thum Sook Fun

REGISTERED OFFICE
Hi-5 House of Learning
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 (Note 2)
Attlee Hue Kuan Yew
Balraj Singh Pannu a/l Gajjan Singh (Note 1)

REMUNERATION COMMITTEE
Attlee Hue Kuan Yew – Chairman
Balraj Singh Pannu a/l Gajjan Singh (Note 1)
Jaleeludeen Bin Abu Baker (Note 1)

NOMINATING COMMITTEE
Attlee Hue Kuan Yew – Chairman
Balraj Singh Pannu a/l Gajjan Singh (Note 1)
Jaleeludeen Bin Abu Baker (Note 1)

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. Neo Keng Jin
(With effect from 2012)

WEBSITE
www.attilangroup.com

Note 1: Appointed with effect from 29 June 2016
Note 2: Appointed as Chairman of Audit Committee with effect from 3 August 2016

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; and
- 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 went it deems necessary. Five (5) Board meetings were held in FY2016, of which four (4) were the regular quarterly meetings and one additional meeting was 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 financial year 2016 are as follows:-

Meeting of the Board and Committees:	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held in FY2016	5	3	1	1
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)	5	3	1	1
Jaleeludeen Bin Abu Baker (1)	2	2	1	1
Balraj Singh Pannu a/l Gajjan Singh (1)	2	2	1	1

(1) Independent Director

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 *(appointed w.e.f. 29 June 2016)*
Balraj Singh Pannu a/l Gajjan Singh	-	Independent Director *(appointed w.e.f. 29 June 2016)*

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.

CORPORATE GOVERNANCE REPORT

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 FY2016, 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 Nominating Committee, 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 Nominating Committee has found Mr. Attlee Hue suitable to act as independent director. The Board has accepted the Nominating Committee'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 of Corporate Governance 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 2016. 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.

CORPORATE GOVERNANCE REPORT

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	29 April 2015
Attlee Hue Kuan Yew	Independent Director	27 April 2016
Jaleeludeen Bin Abu Baker	Independent Director	29 June 2016
Balraj Singh Pannu a/l Gajjan Singh	Independent Director	29 June 2016

Datuk Jared Lim Chih Li will be subject to the retirement by rotation but is eligible to re-election at the forthcoming AGM pursuant to Article 91 of the Company's Constitution.

Both Mr. Jaleeludeen Bin Abu Baker and Mr. Balraj Singh Pannu a/l Gajjan Singh who have been appointed to the Board after the last AGM, will be subject to the retirement pursuant to Article 97 of the Company's Constitution but are eligible to re-election at the forthcoming AGM.

The NC has reviewed and recommended to the Board that the retiring Directors, Datuk Jared Lim Chih Li, Mr. Balraj Singh Pannu a/l Gajjan Singh and Mr. Jaleeludeen Bin Abu Baker being eligible and having consented, be nominated for re-election at the forthcoming AGM.

The profile of our Directors can be found on pages 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 FY2016, 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 own 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 Managing Director 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 2016 is as follows:

Directors	Salary & CPF	Fee	Bonus	Allowance and Other Benefits
Below S$250,000				
Datuk Jared Lim Chih Li	–	–	–	–
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 FY2016 is S$698,735.

The Board is of the opinion that it is not in the best interests of the Company to disclose. The total remuneration of each Director and Key Management Personnel in dollars terms, given the sensitivity and confidentiality of the remuneration matters; and

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 Director 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.

During the course of audit, the external auditors carried out a review of the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls to the extent of their scope as laid out in their audit plan. 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 Managing Director and Group Financial Controller that:

(a) 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 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, if any;

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

CORPORATE GOVERNANCE REPORT

(c) review the scope and results of the internal audit function and ensuring co-ordination between the 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 auditor 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 authorize 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$ 131,503
Other Auditors	S$ 7,163
Total	S$ 138,666

No fee is paid to the external auditors for non-audit services in FY2016.

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 own 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 FY2016, 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 own constitution provides that shareholders of the Company are allowed to vote in person or by way of duly appointed proxy. The Company's own 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 2016, 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 3 April 2017.

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 the Group for the financial year ended 31 December 2016, and the statements of financial position of the Company as at 31 December 2016.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statements of financial position of the Company as set out on pages 34 to 122 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 2016 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	(Appointed on 29 June 2016)
Jaleeludeen Bin Abu Baker	(Appointed on 29 June 2016)

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	–	–	438,000,000	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 2017.

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.

DIRECTORS' STATEMENT

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) (Appointed on 29 June 2016)
- Jaleeludeen Bin Abu Baker (Independent, Non-Executive) (Appointed on 29 June 2016)

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;
- 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 2016, 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

Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

DATUK JARED LIM CHIH LI	ATTLEE HUE KUAN YEW

Singapore
3 April 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Attilan Group Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Attilan Group Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 34 to 122, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, 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.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Company Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements which states that for the current financial year ended 31 December 2016, the Group incurred a net loss and total comprehensive loss of S$12,046,311 and S$13,319,115 (2015: net loss and total comprehensive loss of S$5,311,982 and S$2,382,048) respectively and as of that date, the Group and the Company's current liabilities exceeded their current assets by S$15,673,540 (2015: S$13,319,226) and S$7,536,981 (2015: S$185,851) respectively, and the Group and the Company have net deficit in shareholders' funds of S$10,941,671 (2015: net surplus of S$2,377,444) and S$5,530,046 (2015: net surplus of S$9,976,538) respectively.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Group and the Company to continue as going concerns and therefore that they may be unable to realise their assets and discharge their liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern (cont'd)

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 has prepared a cash flow forecast and is of the view that the Group and the Company will have sufficient cash resources to satisfy their working capital requirements and to meet their obligations as and when they fall due; and

ii. As disclosed in Note 37 to the financial statements, the Company has entered into a subscription agreement 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financials as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Financial Assets, Available-for-Sale

We refer to Note 3(a)(ii) and Note 14 of the financial statements.

As at 31 December 2016, the carrying amount of available-for-sale financial assets amounted to S$3,738,005. These comprise mainly unquoted equity instruments, stated at fair value.

We focused on this area because of the degree of complexity involved in valuing these financial assets, and the significance of the judgments and estimates made by management. In particular, the determination of the valuation of these financial assets is considerably more subjective given the lack of available market-based data of these unquoted equity instruments.

Our response:

We evaluated the appropriateness of the valuation methodology and critically assessed the valuation assumptions and inputs used by management.

We conducted a detailed discussion with the Group's key management and considered their views to derive the measurement of these financial assets.

Key Audit Matters (cont'd)

Our findings:

We found the valuation and impact analyses of these financial assets conducted by management to be appropriate and reasonable.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act and 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor 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 Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
3 April 2017

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2016

	Note	Group 2016	Group 2015
		S$	S$
Revenue	4	2,332,983	4,078,670
Cost of sales		(1,549,595)	(1,410,545)
Administrative expenses		(4,383,910)	(5,294,235)
Other income	5	8,504,723	7,269,154
Other expenses	6	(14,280,308)	(2,951,189)
Loss from operations		(9,376,107)	1,691,855
Finance income	7	957	3,893
Finance costs	8	(336,403)	(866,404)
Share of loss of associated companies	18	(2,335,498)	(6,301,794)
Loss before tax	10	(12,047,051)	(5,472,450)
Income tax benefit	11	740	160,468
Loss after tax		(12,046,311)	(5,311,982)
Loss attributable to:			
Owners of the Company		(11,747,069)	(5,306,454)
Non-controlling interest		(299,242)	(5,528)
		(12,046,311)	(5,311,982)
Loss per share attribute to owners of the Company			
Basic and diluted (cents per share)	33	(1.07)	(0.48)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	Group	
	2016	2015
	S$	S$
Loss after tax	(12,046,311)	(5,311,982)
Other comprehensive (loss)/income, net of tax:		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	399,935	(751,695)
Reclassification of foreign currency translation differences on disposal of subsidiaries	–	667,675
Reclassification of reserves on reclassification of associated company	–	185,623
Net fair value (loss)/gain on financial assets, available-for-sale	(1,257,096)	2,260,147
Share of other comprehensive income of associated companies:		
Exchange differences on translation of foreign operations	(415,643)	568,184
Other comprehensive (loss)/income for the year, net of tax	(1,272,804)	2,929,934
Total comprehensive loss for the year	(13,319,115)	(2,382,048)
Total comprehensive loss attributable to:		
Owners of the Company	(13,019,873)	(2,376,520)
Non-controlling interest	(299,242)	(5,528)
	(13,319,115)	(2,382,048)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

		Group		Company	
	Note	2016	2015	2016	2015
		S$	S$	S$	S$
ASSETS					
Current Assets					
Cash and bank balances	13	517,224	729,008	110,737	161,292
Financial assets, available-for-sale	14	–	350,657	–	–
Trade receivables	15	84,445	24,531	–	–
Other current assets	16	3,144,881	1,485,992	2,584,254	554,216
Amounts due from subsidiaries	23	–	–	1,724,608	1,755,580
Total Current Assets		3,746,550	2,590,188	4,419,599	2,471,088
Non-Current Assets					
Investments in subsidiaries	17	–	–	141,498	141,498
Investments in associated companies	18	1,922,726	4,553,818	–	–
Financial assets, available-for-sale	14	3,738,005	5,031,403	–	–
Property, plant and equipment	19	614,369	701,511	175,095	619,769
Investment properties	20	2,151,944	2,195,648	–	–
Intangible assets	21	450,000	2,415,185	–	–
Loan receivable	22	–	–	–	–
Other non-current assets	16	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		8,996,057	20,931,694	2,538,028	10,217,179
Total Assets		12,742,607	23,521,882	6,957,627	12,688,267
Current Liabilities					
Trade and other payables	25	8,948,811	8,842,859	3,196,117	2,634,241
Financial guarantee contract	26	8,736,766	–	8,736,766	–
Income tax payable		–	1,639	–	–
Borrowings	29	1,734,513	7,064,916	23,697	22,698
Total Current Liabilities		19,420,090	15,909,414	11,956,580	2,656,939

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

(cont'd)

		Group		Company	
	Note	2016	2015	2016	2015
		S$	S$	S$	S$
Non-Current Liabilities					
Financial liabilities, at fair value through profit or loss	27	2,876,192	4,353,325	–	–
Provision for reinstatement cost	28	96,720	–	–	–
Borrowings	29	1,291,276	881,699	531,093	54,790
Total Non-Current Liabilities		4,264,188	5,235,024	531,093	54,790
Total Liabilities		23,684,278	21,144,438	12,487,673	2,711,729
Equity Attributable to Owners of the Company					
Share capital	30	119,912,067	119,912,067	119,912,067	119,912,067
Accumulated losses		(121,923,728)	(110,176,659)	(125,528,032)	(110,021,448)
Foreign currency translation reserve	31	849,942	865,650	85,919	85,919
Other reserves	31	(10,429,690)	(10,429,690)	–	–
Fair value reserve	31	924,508	2,181,604	–	–
Total Shareholders' Funds		(10,666,901)	2,352,972	(5,530,046)	9,976,538
Non-controlling Interests		(274,770)	24,472	–	–
Total Equity		(10,941,671)	2,377,444	(5,530,046)	9,976,538
Total Liabilities and Equity		12,742,607	23,521,882	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 2016

	Attributable to equity holders of the Company							
	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Other Reserves	Total	Non-Controlling Interest	Total Equity
	S$	S$	S$	S$	S$	S$	S$	S$
Group								
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
Loss for the year	–	–	(11,747,069)	–	–	(11,747,069)	(299,242)	(12,046,311)
Other comprehensive loss	–	(15,708)	–	(1,257,096)	–	(1,272,804)	–	(1,272,804)
Total comprehensive loss	–	(15,708)	(11,747,069)	(1,257,096)	–	(13,019,873)	(299,242)	(13,319,115)
Balance as at 31 December 2016	119,912,067	849,942	(121,923,728)	924,508	(10,429,690)	(10,666,901)	(274,770)	(10,941,671)
At 1 January 2015	119,912,067	383,940	(104,870,205)	(266,620)	(10,626,467)	4,532,715	126,778	4,659,493
Loss for the year	–	–	(5,306,454)	–	–	(5,306,454)	(5,528)	(5,311,982)
Other comprehensive income	–	481,710	–	2,448,224	–	2,929,934	–	2,929,934
Total comprehensive income/(loss)	–	481,710	(5,306,454)	2,448,224	–	(2,376,520)	(5,528)	(2,382,048)
Acquisition of additional interest in subsidiary (Note 17(c))	–	–	–	–	126,778	126,778	(126,778)	–
Acquisition of interest in subsidiary (Note 17(a)(ii))	–	–	–	–	69,999	69,999	30,000	99,999
Balance as at 31 December 2015	119,912,067	865,650	(110,176,659)	2,181,604	(10,429,690)	2,352,972	24,472	2,377,444

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Group	
	2016	2015
	S$	S$
Cash Flows from Operating Activities		
Loss before tax	(12,047,051)	(5,472,450)
Adjustments for:		
Depreciation and amortisation expenses	1,899,248	1,568,412
Dilution gain from investment in associated company to financial assets, available-for-sale	–	(457,249)
Fair value loss on financial assets, at fair value through profit or loss	–	15,979
Fair value gain on financial liability, at fair value through profit or loss	(1,477,133)	(740,333)
Finance costs	336,403	866,404
Finance income	(957)	(3,893)
Financial guarantee expense	6,381,372	–
Gain on disposal of financial assets, available-for-sale	(523,288)	(68,980)
Gain on disposal of property, plant and equipment	(193)	–
Gain on disposal of subsidiaries	–	(4,182,023)
Loss on disposal of financial assets, at fair value through profit or loss	–	810,023
Impairment loss on financial assets, available-for-sale	36,302	292,215
Impairment loss on goodwill	5,772,203	53,435
Impairment loss on intangible assets	1,527,547	65,125
Impairment loss on trade and other receivables	–	203,121
Property, plant and equipment written-off	256,316	-
Share of loss of associated companies	2,335,498	6,301,794
Wavier of loan and interest payable	(6,260,565)	–
Write back of impairment loss on trade and other receivables	(100,000)	(1,649,564)
Write-off of financial assets, available-for-sale	–	79,426
Write-off of other receivables	–	141,973
Unrealised foreign currency exchange loss	113,935	1,275,431
Operating cash flows before changes in working capital	(1,750,363)	(901,154)
Changes in working capital:		
Financial assets, available-for-sale	873,945	161,568
Financial assets, at fair value through profit or loss	–	723,998
Trade and other receivables and other current assets	446,639	1,926,803
Trade and other payables	144,522	(2,158,248)
Net cash used in operations	(285,257)	(247,033)
Income tax (paid)/refunded	(899)	71,170
Net cash used in operating activities	(286,156)	(175,863)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

(cont'd)

	Group 2016 S$	Group 2015 S$
Deposits received	–	570,000
Interest received	957	3,893
Purchase of intangible assets (Note A)	(550,375)	(1,711,897)
Purchase of property, plant and equipment	(537,063)	(14,338)
Proceeds from disposal of property, plant and equipment	240	212
Net cash inflow from acquisition of subsidiaries (Note 17(a))	–	7,982
Net cash inflow from disposal of subsidiaries (Note 17(b))	–	1
Net cash used in investing activities	(1,086,241)	(1,144,147)
Cash Flows from Financing Activities		
Advances from related parties	–	446,920
(Repayment to)/advances from former subsidiary	(245,600)	772,916
Proceeds from borrowings	1,835,000	350,000
Repayment of borrowings	(391,671)	(2,263,620)
Repayment of finance leases	(29,713)	(29,562)
Interest paid	(7,403)	(353,366)
Net cash generated from/(used in) financing activities	1,160,613	(1,076,712)
Net decrease in cash and cash equivalents	(211,784)	(2,396,722)
Cash and cash equivalents at the beginning of the year	729,008	3,125,730
Cash and cash equivalents at the end of the year (Note 13)	517,224	729,008

Non-cash transaction

	Group 2016 S$	Group 2015 S$
Note A:		
Additions to intangible assets	(1,050,375)	(1,271,897)
Decrease/(increase) in deposits paid for intangible assets	440,000	(440,000)
Increase in other payables	60,000	–
	(550,375)	(1,711,897)

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 was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Catalist until its transfer from the Catalist to the Main Board of the SGX-ST on 18 August 2010. The registered office and principal place of business of the Company is Hi-5 House of Learning, 10 Hoe Chiang Road, Keppel Towers #01-01/03, 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

For the financial year ended 31 December 2016, the Group incurred a net loss and total comprehensive loss of S$12,046,311 and S$13,319,115 (2015: net loss and total comprehensive loss of S$5,311,982 and S$2,382,048) respectively and as of that date, the Group and the Company's current liabilities exceeded their current assets by S$15,673,540 (2015: S$13,319,226) and S$7,536,981 (2015: S$185,851) respectively, and the Group and the Company have net deficit in shareholders' funds of S$10,941,671 (2015: net surplus of S$2,377,444) and S$5,530,046 (2015: net surplus of S$9,976,538) respectively.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Group and the Company to continue as going concerns and therefore that they may be unable 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 has prepared a cash flow forecast and is of the view that the Group and the Company will have sufficient cash resources to satisfy its working capital requirements and to meet its obligations as and when they fall due; and

(ii) As disclosed in Note 37 to the financial statements, the Company has entered into a subscription agreement 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

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.

Adoption of New and Revised FRSs and Interpretations of FRSs ("INT FRSs")

For the financial year ended 31 December 2016, the Group has adopted all the amendments to FRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2016. The adoption of these amendments to FRSs has had no material financial impact on the financial performance and financial position of the Group and the Company.

New and Revised FRSs Issued but not yet Effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	**Effective for annual periods beginning**
Amendment to FRS 7 *Statement of Cash Flows*	1 January 2017
Amendment to FRS 12 *Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 116 *Leases*	1 January 2019

The Group is in the process of assessing the impact of these standards and interpretations.

2 Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

New and Revised FRSs Issued but not yet Effective (cont'd)

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, including both changes arising from cash flows and non-cash changes. The amendments apply prospectively to annual periods beginning on or after 1 January 2017, with earlier application permitted.

Amendments to FRS 12 *Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify the application of FRS 12 to unrealised losses on debt investments, and the assessment of future taxable profits against which deferred tax assets can be recognised.

- Deductible temporary differences will result from unrealised losses on debt investments measured at fair value in financial statements, but measured at cost for tax purposes. This is regardless of how the entity intends to realise the investment.
- Estimates of future taxable profits used to assess recoverability of deferred tax assets resulting from deductible temporary differences:
    a) includes profits on the recovery of assets for more than their carrying amount if such recovery is probable;
    b) includes only income types against which those temporary differences qualify to be deducted under tax legislation; and
    c) excludes tax deductions resulting from the reversal of those temporary differences.

The standard is effective for annual period beginning on or after 1 January 2017.

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 Significant Accounting Policies (cont'd)

(b) Basis of Preparation (cont'd)

New and Revised FRSs Issued but not yet Effective (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.

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.

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 at or before the date of initial application of FRS 116.

2 Significant Accounting Policies (cont'd)

(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.

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.

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

Acquisition of businesses (cont'd)

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.

Disposals of subsidiaries or businesses

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.

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

(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.

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.

2 Significant Accounting Policies (cont'd)

(d) Goodwill (cont'd)

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).

(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.

(f) Financial Assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, 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.

Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

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" and "cash and cash equivalents" on the statements of financial position.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(i) Classification (cont'd)

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.

(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.

2 Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

(iv) Subsequent measurement (cont'd)

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.

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.

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

(f) Financial Assets (cont'd)

(iv) Subsequent measurement (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2 Significant Accounting Policies (cont'd)

(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.

(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 years.

2 Significant Accounting Policies (cont'd)

(k) Intangible Assets (cont'd)

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.

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.

2 Significant Accounting Policies (cont'd)

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

(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.

(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".

2 Significant Accounting Policies (cont'd)

(m) Financial Liabilities (cont'd)

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 36 (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.

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.

2 Significant Accounting Policies (cont'd)

(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) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iv) 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.

2 Significant Accounting Policies (cont'd)

(s) Revenue Recognition (cont'd)

(v) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2 Significant Accounting Policies (cont'd)

(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.

(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.

2 Significant Accounting Policies (cont'd)

(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.

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 and Company's loans and receivables as at 31 December 2016 was S$2,924,850 and S$6,514,685 respectively (2015: S$1,055,119 and S$11,749,281) (Notes 15, 16, 22 and 23).

The Group and the Company recognised in profit or loss impairment losses amounting to Nil and S$7,707,912 respectively (2015: S$203,121 and S$5,642,028) during the current financial year (Notes 15, 16, 22 and 23). The Group and Company wrote back an impairment loss on trade and other receivables amounting to S$100,000 (2015: S$1,649,564) and Nil (2015: S$129,939) respectively during the current 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.

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

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

(ii) Impairment of financial assets, available-for-sale (cont'd)

For the financial year ended 31 December 2016, the amount of impairment loss recognised for available-for-sale financial assets was S$36,302 (2015: S$292,215). The carrying amount of financial assets, available-for-sale as at 31 December 2016 was S$3,738,005 (2015: S$5,382,060). Further details are given in Note 14 to the financial statements.

(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 current financial year, the Group made an impairment of S$5,772,203 (2015: S$53,435) to profit or loss. As at 31 December 2016, the carrying amount of goodwill is Nil (2015: S$5,772,203).

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires that directors estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Details of the estimation of the value in use are provided in Note 24.

(iv) Impairment of intangible assets

Intangible assets are tested for impairment whenever there are 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 directors considered the recoverability of the Group's intangible assets which includes franchise fees, content license fees and production costs amounting to S$450,000 (2015: S$2,415,185).

During the current financial year, the Group recognised impairment losses amounting to S$1,527,547 (2015: S$65,125) from content licenses and productions which have been incurring losses or terminated.

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 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 2016, the Group performed an impairment test for the investment in associated companies as they continued to incur operating losses. Based on the assessment, the Group recognised an impairment loss of S$1,645,807 (2015: S$4,139,868) as at 31 December 2016 representing the write down of the investment in an associated company to its recoverable amount.

The recoverable amount of the investment in the associated company as at 31 December 2016 was determined based on fair value less costs of disposal, which is the market price of the quoted equity shares. The carrying amount of the Group's investments in associated companies as at 31 December 2016 was S$1,922,726 (2015: S$4,553,818) (Note 18).

The fair value of the investment in associated company is derived from quoted market prices in an active market. The fair value was classified under Level 1 of the Fair Value Hierarchy (Note 36(b)).

(vi) 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) Estimated useful lives of franchise and content license fees

Franchise and content license fees are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be two to six years (2015: two to six years). The carrying amount of these assets at the balance sheet date was S$450,000 (2015: S$1,866,674). The Group assesses annually the residual values and the useful lives of these assets and if expectations differ from the original estimates due to changes in the economic environment and the business outlook, such differences will impact the amortisation changes in the period in which such estimates are changed.

A 10% differences in the expected useful life of these assets from management's estimates would result in decreasing/increasing the carrying amount by approximately S$9,000 (2015: S$128,000).

(ii) 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 done by the Investment Management Team together with the Chief Financial Officer, 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 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 team will review fair value determinations regularly on a quarterly to yearly basis depending on the nature of the assets or liabilities. The Chief Financial Officer reports the 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 36(b).

4 Revenue

	Group	
	2016	2015
	S$	S$
Investment management income	1,607,445	1,702,440
Media sales	590,982	2,376,230
School fees	134,556	–
	2,332,983	4,078,670

5 Other Income

	Group	
	2016	2015
	S$	S$
Cost recovery from investee companies and related parties	–	38,420
Dilution gain on the transfer from investment in associated company to financial assets, available-for-sale	–	457,249
Fair value gain on financial liability, at fair value through profit or loss	1,477,133	740,333
Gain on disposal of financial assets, available-for-sale	523,288	68,980
Gain on disposal of property, plant and equipment	193	–
Gain on disposal of subsidiaries	–	4,182,023
Performance incentive fee	21,855	–
PIC bonus and cash payout	60,170	48,924
Rental income	44,500	64,000
Waiver of loan and interest payable	6,260,565	–
Write back of impairment loss on trade and other receivables	100,000	1,649,564
Others	17,019	19,661
	8,504,723	7,269,154

6 Other Expenses

	Group	
	2016	2015
	S$	S$
Financial guarantee expense	6,381,372	–
Fair value loss of financial assets, at fair value through profit or loss	–	15,979
Foreign exchange loss	178,813	1,289,752
Impairment loss on financial assets, available-for-sale	36,302	292,215
Impairment loss on goodwill	5,772,203	53,435
Impairment loss on intangible assets	1,527,547	65,125
Impairment loss on trade and other receivables	–	203,121
Loss on disposal of financial assets, at fair value through profit or loss	–	810,023
Property, plant and equipment written-off (Note 19)	256,316	–
Reinstatement cost	126,075	–
Write-off of financial assets, available-for-sale	–	79,426
Write-off of other receivables	–	141,973
Others	1,680	140
	14,280,308	2,951,189

During the current financial year, the Group recognised an amount of S$6,381,372 financial guarantee expense, which is the net amount of the estimated fair value of the 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	
	2016	2015
	S$	S$
Interest income from:		
- Bank and fixed deposits	957	3,669
- Other receivables	–	224
	957	3,893

8 Finance Costs

	Group	
	2016	2015
	S$	S$
Interest expense on:		
- Borrowings	137,157	103,105
- Advances from former subsidiary	–	585,792
- Advances from third parties	199,246	177,507
	336,403	866,404

9 Employee Benefits Expense

	Group	
	2016	2015
	S$	S$
Employees benefits expenses including directors' remuneration and fees	1,709,655	2,491,172
Contributions to defined contribution plans	185,747	167,163
Provision for unutilised leave	–	3,717
	1,895,402	2,662,052

10 Loss before Tax

	Group	
	2016	2015
	S$	S$
This was arrived at after charging:		
Amortisation of intangible assets (included in cost of sales)	1,488,013	1,275,206
Administrative expenses:		
- Depreciation of property, plant and equipment (Note 19)	367,531	249,503
- Depreciation of investment properties (Note 20)	43,704	43,703
- Audit fees paid/payable to auditor of the Company	131,503	132,206
- Audit fees paid/payable to other auditors	7,163	8,191
- Rental of premises - operating leases	642,720	447,382
- Management fees	445,750	445,750

No non-audit fees were paid to the auditor of the Company in 2016 and 2015.

11 Income Tax Benefit

	Group	
	2016	2015
	S$	S$
Income tax benefit on results for the year consists of:		
Current income tax		
- current year	–	3,365
- (over)/under-provision in prior years	(994)	30,114
Withholding tax	254	8,557
Deferred income tax		
- current year	–	(63,387)
- over-provision in prior years	–	(139,117)
Income tax benefit recognised in profit or loss	(740)	(160,468)

Income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2015: 17%) to loss before income tax as a result of the following differences:

	Group	
	2016	2015
	S$	S$
Loss before tax	(12,047,051)	(5,472,450)
Less: Share of loss of associated companies	(2,335,498)	(6,301,794)
	(9,711,553)	829,344
Income tax benefit/(expense) at a statutory rate of 17% (2015: 17%)	(1,650,964)	140,988
Non-taxable items	(1,411,435)	(924,686)
Non-deductible items	2,603,299	403,963
Singapore statutory stepped income exemption	–	(3,894)
PIC enhanced capital allowances	(117,570)	(15,960)
Utilisation of deferred tax asset, net	(54,792)	(12,377)
Unrecognised deferred tax assets	630,616	348,811
(Over)/under-provision of current income tax in prior year	(994)	30,114
Over-provision of deferred income tax in prior year	–	(139,117)
Effect of different tax rates in other countries	846	3,133
Withholding tax, net of foreign tax credit	254	8,557
Tax benefit	(740)	(160,468)

11 Income Tax Benefit (cont'd)

As at the balance sheet date, the Group has unutilised tax losses and capital allowances amounting to approximately S$6,784,000 and S$70,000 (2015: S$3,478,000 and Nil) respectively, available for offsetting against future taxable income. The related tax benefits of approximately S$1,213,000 (2015: S$623,000) 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 impairment losses on goodwill and intangible assets and provision for financial guarantee expense.

The non-taxable items in the current financial year mainly relate to the waiver of interest and loan payable 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 are disclosed as follows:

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Subsidiaries:				
Management fee	–	–	168,000	146,000
Related party:				
Proceeds from borrowing	35,000	–	–	–
Interest expense	2,240	–	–	–
Fund managed by the Group:				
Interest expense	54,090	30,000	–	–

12 Related Party Transactions (cont'd)

(b) Compensation of Key Management Personnel

	Group	
	2016	**2015**
	S$	**S$**
Directors' fees	79,194	96,000
Salaries and other short-term employee benefits	657,515	1,396,799
Contributions to defined contribution plan	41,220	51,625

The above amounts are included under employee benefits expenses (Note 9). Included in the salaries and other short-term employee benefits are directors' remuneration of Nil (2015: S$386,400).

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	
	2016	**2015**
Number of directors of the Company in remuneration bands:		
- S$250,000 to below S$500,000	–	1
- Below S$250,000	4	3
Total	4	4

13 Cash and Cash Equivalents

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Cash in banks	512,950	726,092	110,737	161,292
Cash on hand	4,274	2,916	–	–
	517,224	729,008	110,737	161,292

14 Financial Assets, Available-for-Sale

	Group	
	2016	**2015**
	S$	**S$**
Beginning of the financial year	5,382,060	24,385,316
Additions	–	8,907
Disposals	(350,657)	(101,495)
Disposal of subsidiary (Note 17(b)(i))	–	(22,748,399)
Reclassification from investment in associated company	–	642,872
Net fair value (loss)/gain recognised in other comprehensive income	(1,257,096)	2,260,147
Impairment losses recognised in profit or loss	(36,302)	(292,215)
Write-off recognised in profit or loss	–	(79,426)
Currency alignment	–	1,306,353
At the end of the financial year	3,738,005	5,382,060
Less: Current portion	–	350,657
Non-current portion	3,738,005	5,031,403

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

	Group 2016	Group 2015
	S$	S$
Financial assets, available-for-sale are analysed as follows:		
Unquoted:		
- At cost*		
Debt securities	2	2
Equity shares	26,408	62,710
- At fair value		
Equity participation	3,711,595	4,968,691
Quoted:		
Equity shares	–	350,657
	3,738,005	5,382,060
Comprises:		
- Direct investments	26,408	413,367
- Investments in funds	3,711,597	4,968,693
	3,738,005	5,382,060

* 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.

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

The unquoted debt securities are stated after deducting allowance for impairment of S$4,624,550 (2015: S$4,624,550).

As at 31 December 2015, the quoted equity shares with fair value amounting to S$350,657 were pledged as security for a bank term loan as disclosed in Note 29(a)(ii).

During the current financial year, the Group recognised an impairment loss of S$36,302 (2015: S$292,215) for unquoted equity instruments as there were "significant" or "prolonged" decline in the fair value of these investments below their carrying amounts. The Group treats "significant" generally as 20% and "prolonged" as greater than 6 months.

15 Trade Receivables

	Group 2016	Group 2015
	S$	S$
Trade receivables	309,199	356,420
Less: Allowance for impairment losses	(224,754)	(331,889)
	84,445	24,531

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

Movements in the allowance for impairment account are as follows:

	Group 2016	Group 2015
	S$	S$
At 1 January	331,889	373,047
Write back of impairment loss	(100,000)	(60,000)
Currency alignment	(7,135)	18,842
At 31 December	224,754	331,889

16 Other Assets

	Group		Company	
	2016	2015	2016	2015
	S$	S$	S$	S$
Current Assets				
Amounts due from the Funds	2,754,565	2,671,017	–	–
Amounts due from related parties	73,007	166,982	193	55,752
Amounts due from a former subsidiary	2,355,394	–	2,355,394	–
Amounts due from third parties	445,571	–	440,642	–
Amounts due from investee companies	13,500	321,016	–	307,333
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	87,487	444,237	79,746	442,740
Others	44,925	157,260	–	39,297
Total other receivables	9,707,863	7,693,926	2,875,975	845,122
Less: Allowance for impairment losses	(6,986,471)	(6,925,264)	(307,333)	(307,333)
	2,721,392	768,662	2,568,642	537,789
Prepayments	423,489	717,330	15,612	16,427
	3,144,881	1,485,992	2,584,254	554,216
Non-current Assets				
Deposits	119,013	261,926	–	136,835

The loan due from an investee company amounting to S$1,350,000 (2015: S$1,350,000) is secured by personal guarantees of the investee company's directors and carried an interest of 10% per annum (2015: 10% per annum).

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$2,355,394 represents the estimated fair value of the 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).

16 Other Assets (cont'd)

Movements in the allowance for impairment account are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
At 1 January	6,925,264	8,225,559	307,333	234,151
Charge to profit or loss	–	203,121	–	203,121
Write back recognised in profit or loss	–	(1,589,564)	–	(129,939)
Currency alignment	61,207	86,148	–	–
At 31 December	6,986,471	6,925,264	307,333	307,333

17 Investments in Subsidiaries

	Company	
	2016	**2015**
	S$	**S$**
Unquoted equity shares at cost		
At the beginning of the financial year	1,956,033	1,956,031
Additional investments	–	2
At the end of the financial year	1,956,033	1,956,033
Less: Allowance for impairment loss	(1,814,535)	(1,814,535)
	141,498	141,498

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**	
	2016 %	**2015 %**
Held by the Company		
Attilan Investment Ltd., British Virgin Islands [a] *Investment holding*	100	100
TAP Partners Sdn. Bhd., Malaysia [b] *Alternative asset investment and management*	100	100

17 Investments in Subsidiaries (cont'd)

Name of subsidiary, country of incorporation, place of operation and principal activity	Effective interest held by the Group	
	2016 %	2015 %
Held by the Company (cont'd)		
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
Held by Attilan Investment Ltd.		
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
Held by TAP Private Equity Pte. Ltd.		
TAP Venture Fund I Pte. Ltd., Singapore [(c)] *Fund management*	100	100

(a) Statutory audit not required in its country of incorporation. Audited 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.

17 Investments in Subsidiaries (cont'd)

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	
		2016	2015	2016	2015	2016	2015
HOL International Pte. Ltd. ("HOL")	Singapore	30%	30%	(299,242)	(5,528)	(274,770)	24,472

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.

	2016	2015
	S$	S$
Current assets	53,637	7,414
Non-current assets	962,345	125,091
Current liabilities	(1,835,160)	(50,930)
Non-current liabilities	(96,720)	–
Equity attributable to owners of the Company	(641,128)	57,103
Non-controlling interests	(274,770)	24,472
Revenue	134,556	–
Expenses	(1,132,029)	(18,425)
Net loss and total comprehensive loss for the year	(997,473)	(18,425)
Net loss and total comprehensive loss attributable to:		
Owners of the Company	(698,231)	(12,897)
Non-controlling interests	(299,242)	(5,528)
	(997,473)	(18,425)
Net cash outflow from operating activities	(614,674)	(143,516)
Net cash outflow from investing activities	(430,926)	–
Net cash inflow from financing activities	1,045,615	150,930
Net cash inflow	15	7,414

17 Investments in Subsidiaries (cont'd)

(a) Acquisition of Subsidiaries

(i) On 30 October 2015, the Company acquired the remaining 30% paid up capital of TAP Partners Sdn. Bhd. The total purchase consideration amounted to S$1. The Group recognised an increase in other reserves and decrease in non-controlling interests of S$126,778.

(ii) On 16 December 2015, the Company acquired a 70% equity interest in HOL for a total consideration of S$1. From 16 December 2015 to 31 December 2015, HOL contributed a loss of S$18,425 to the Group's results. If the acquisition had occurred on 1 January 2015, management estimated that there would have been no significant changes to the Group's revenue and loss before income tax.

The fair value of the identifiable assets and liabilities acquired amounted to S$100,000. The identifiable assets acquired and liabilities assumed at the acquisition date were as follows:

	2015 At Book Value S$	2015 At Fair Value S$
Cash at bank	7,982	7,982
Other receivables	125,091	125,091
Other payables	(33,073)	(33,073)
Total identifiable net assets	100,000	100,000
Non-controlling interest' proportionate shares of net assets		(30,000)
Other reserves – contribution from non-controlling interest		(69,999)
Total purchase consideration		1
Less: Amount owing to HOL		(1)
Add: Cash and cash equivalent acquired		7,982
Net cash inflow on acquisition of subsidiary		7,982

(b) Disposal of Subsidiaries

(i) On 17 November 2015, the Company disposed of its entire shareholding in Portwell Investments Limited for a total consideration of S$1. The Group recognised a gain on disposal of S$4,182,023 in the consolidated income statement for the financial year ended 31 December 2015.

17 Investments in Subsidiaries (cont'd)

(b) Disposal of Subsidiaries (cont'd)

(i) (cont'd)

The identifiable assets and liabilities disposed were as follows:

	2015 Carrying Amount S$
Financial assets, at fair value through profit or loss	5,093,658
Financial assets, available-for-sale	22,748,399
Other receivables	14,018
Other payables	(32,705,773)
Total identifiable net liabilities	(4,849,698)
Net foreign currency reserves realised upon disposal	667,676
Gain on disposal of subsidiary	4,182,023
Consideration received	1
Less: Cash and cash equivalent of disposed subsidiary	–
Net cash inflow on disposal of subsidiary	1

(c) The effect of changes in the ownership interest in the subsidiaries on the equity attributable to owners of the Company during the financial year ended 31 December 2015 is summarised as follows:

	2015 S$
Carrying amount of non-controlling interests acquired	126,778
Consideration transferred	–
Excess of consideration over the share of fair value of the net assets acquired	126,778

(d) Impairment testing of Investment in Subsidiaries

During the current and previous financial year, management performed an impairment test for certain subsidiaries in view of the operating losses incurred. An impairment loss of S$1,814,535 (2015: S$1,814,535) was recognised as the carrying amounts of the investments exceeded the recoverable amount. The recoverable amounts of the investments in these subsidiaries have been determined based on value-in-use calculated using cash flow projections from financial budgets approved by management covering a 3 to 5 years period. The pre-tax discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections was 7.48% - 8.87% and 0% respectively.

18 Investments in Associated Companies

	Group		Company	
	2016	**2015**	**2016**	**2015**
	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	(6,221,098)	(5,115,764)	–	–
Impairment losses	(15,886,366)	(14,240,559)	–	–
Currency translation difference	(724,074)	(844,123)	–	–
	1,922,726	4,553,818	–	–
Fair value:				
Quoted equity shares	1,922,722	4,553,814	–	–

As at 31 December 2016, the quoted shares in an investment in associated companies with fair value amounting to S$1,583,990 (2015: S$3,751,555) are pledged to a Fund in respect of a former subsidiary's secured redeemable notes.

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**	
	2016 %	**2015 %**
Chaswood Resources Holdings Ltd., Singapore # *Restaurant operator and investment holdings*	40.38	44.62

Audited by Moore Stephens LLP, Singapore

(i) During the current financial year, Chaswood Resources Holdings Ltd. ("Chaswood") completed a placement of an additional new ordinary shares and this resulted in the dilution of the Group's effective interest from 44.62% to 40.38%.

18 Investments in Associated Companies (cont'd)

(ii) Set out below are the summarised financial information of Chaswood, which is not adjusted for the percentage of ownership held by the Group:

Summarised statement of financial position

	2016 S$	2015 S$
Current assets	12,144,953	10,988,866
Non-current assets	24,719,347	27,954,411
Current liabilities	(24,309,572)	(22,675,077)
Non-current liabilities	(7,518,135)	(9,416,628)

Summarised income statement

	2016 S$	2015 S$
Revenue	55,579,249	58,659,198
Loss for the year	(1,718,255)	(4,844,289)
Other comprehensive loss for the year	(800,320)	1,924,893
Total comprehensive loss for the year	(2,518,575)	(2,919,396)

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

	2016 S$	2015 S$
Net assets of the associate attributable to the shareholders	5,087,855	6,893,405
Proportion of the Group's ownership in Chaswood	40.38%	44.62%
Interest in Chaswood	2,054,476	3,075,837
(Impairment)/Goodwill	(131,754)	1,477,977
Carrying amount of the Group's interest in Chaswood	1,922,722	4,553,814

19 Property, Plant and Equipment

Group	Motor vehicles S$	Leasehold improvements S$	Office furniture and equipment S$	Total S$
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
2015				
Cost				
At 1 January	221,239	613,328	577,594	1,412,161
Additions	–	–	14,338	14,338
Disposals	–	–	(1,909)	(1,909)
Currency alignment	(9,433)	–	(18,540)	(27,973)
At 31 December	211,806	613,328	571,483	1,396,617
Accumulated depreciation				
At 1 January	73,305	137,312	254,928	465,545
Depreciation for the year	37,648	109,850	102,005	249,503
Disposals	–	–	(1,697)	(1,697)
Currency alignment	(4,146)	–	(14,099)	(18,245)
At 31 December	106,807	247,162	341,137	695,106
Net book value				
At 31 December	104,999	366,166	230,346	701,511

19 Property, Plant and Equipment (cont'd)

Company	Motor vehicles S$	Leasehold improvements S$	Office furniture and equipment S$	Total S$
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
2015				
Cost				
At 1 January	148,000	613,328	393,425	1,154,753
Disposals	–	–	(1,909)	(1,909)
At 31 December	148,000	613,328	391,516	1,152,844
Accumulated depreciation				
At 1 January	48,000	137,312	151,039	336,351
Depreciation for the year	24,000	109,850	64,571	198,421
Disposals	–	–	(1,697)	(1,697)
At 31 December	72,000	247,162	213,913	533,075
Net book value				
At 31 December	76,000	366,166	177,603	619,769

The carrying amount of property, plant and equipment held under finance lease arrangements for the Group as at 31 December 2016 amounted to S$69,225 (2015: S$104,999).

20 Investment Properties

Group	2016 S$	2015 S$
Cost		
At 1 January and 31 December	2,360,000	2,360,000
Accumulated depreciation		
At 1 January	164,352	120,649
Depreciation for the year	43,704	43,703
At 31 December	208,056	164,352
Net book value		
At 31 December	2,151,944	2,195,648

The Group has two investment properties as at 31 December 2016 and 31 December 2015.

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 29(a)(i)). The cost of investment is S$1,230,000 and the estimated fair value as at 31 December 2016 is S$1,330,000 (2015: S$1,330,000).

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 third party. A trust agreement is signed between the third 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 third party for the said property (Note 29(e)). The cost of investment is S$1,130,000 and the estimated fair value as at 31 December 2016 is S$1,130,000 (2015: S$1,130,000).

The two investment properties' fair value are based on the highest and best use as at the statements of financial position date based on directors' valuation supported by independent professional valuations by an independent valuer who has the appropriate qualification and recent experience in the valuation of properties in the relevant locations.

The fair value of the two properties was derived based on the direct comparison method. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The significant input in this valuation approach is the location, tenure, age, size, design, floor level, layout, condition and standard of finishes amongst other factors.

The fair values of these properties were classified under Level 2 of the Fair Value Hierarchy (Note 36(b)).

20 Investment Properties (cont'd)

The following are recognised in profit or loss:

	Property 1	Property 2
	S$	S$
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
2015		
Rental income	36,000	28,000
Direct expenses incurred during periods in which investment properties earned income	24,508	31,186
Direct expenses incurred during periods in which investment properties did not earn income	12,588	17,530

21 Intangible Assets

	Franchise fee	Content license fees	Production costs	Total
	S$	S$	S$	S$
Group				
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

21 Intangible Assets (cont'd)

	Franchise fee	Content license fees	Production costs	Total
	S$	S$	S$	S$
Group				
2015				
Cost				
At 1 January	–	2,849,494	458,654	3,308,148
Additions	–	1,136,915	134,982	1,271,897
At 31 December	–	3,986,409	593,636	4,580,045
Accumulated amortisation:				
At 1 January	–	824,529	–	824,529
Amortisation for the year	–	1,275,206	–	1,275,206
At 31 December	–	2,099,735	–	2,099,735
Accumulated impairment:				
At 1 January	–	–	–	–
Impairment loss during the year	–	–	65,125	65,125
At 31 December	–	–	65,125	65,125
Net book value				
At 31 December	–	1,886,674	528,511	2,415,185

During the current financial year, the Group recognised impairment losses amounting to S$1,527,547 (2015: S$65,125) from content licenses and productions which have been incurring losses or terminated.

22 Loan Receivable

	Group	
	2016	2015
	S$	S$
Loan receivable	12,552,350	12,552,350
Less: Allowance for impairment losses	(12,552,350)	(12,552,350)
	–	–

The loan receivable from an investee company is unsecured and carries a fixed interest of 12% per annum (2015: 12% per annum) and is not expected to be repaid within the next 12 months.

23 Amounts due from Subsidiaries

	Company	
	2016	2015
	S$	S$
Amounts due from subsidiaries	103,740,408	103,161,110
Less: Allowance for impairment losses	(99,794,365)	(92,086,453)
	3,946,043	11,074,657
Presented as:		
Current	1,724,608	1,755,580
Non-current	2,221,435	9,319,077
	3,946,043	11,074,657

The amounts due from subsidiaries were unsecured, non-trade in nature and are 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 investment in the subsidiaries and are recognised at cost.

Movements in the allowance for impairment account are as follows:

	Company	
	2016	2015
	S$	S$
At 1 January	92,086,453	86,717,728
Charge to profit or loss	7,707,912	5,438,907
Write back recognised in profit and loss	–	(70,182)
At 31 December	99,794,365	92,086,453

24 Goodwill

	Group	
	2016	2015
	S$	S$
At the beginning of the year	5,772,203	5,825,638
Less: Allowance for impairment losses	(5,772,203)	(53,435)
At the end of the year	–	5,772,203

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. Each CGU represents the Group's investment by each primary reporting segment as follows:

	Media sales	Investment management	Consolidated
	S$	S$	S$
TAP Partners Sdn. Bhd.	–	53,435	53,435
Hub Media Group Pte. Ltd.	5,772,203	–	5,772,203
	5,772,203	53,435	5,825,638

Movement in the allowance for impairment account is as follows:

	2016	2015
	S$	S$
At 1 January	53,435	–
Charge to profit or loss	5,772,203	53,435
At 31 December	5,825,638	53,435

Goodwill is assessed for impairment during the fourth quarter of each financial year. During the current financial year, the Group made a full impairment loss of S$5,772,203 (2015: S$53,435) to write down the Group's goodwill in Media Sales (2015: Investment Management). The impairment loss arose as the CGU continued to incur operating and projected losses. The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on the financial budgets approved by management covering a one-year period. Cash flows from one to five year period were extrapolated using the estimated growth rates stated below.

24 Goodwill (cont'd)

	Investment Management		Media Sales	
	2016	2015	2016	2015
	%	%	%	%
Growth rate [1]	–	–	5	6
Discount rate [2]	–	8.87	5.54	6.32

[1] Weighted average growth rate used to extrapolate cash flows beyond the one-year period to the fifth year. 0% growth rate beyond the five-year period were used for both segments.

[2] Pre-tax discount rate applied to the pre-tax cash flow projections

25 Trade and Other Payables

	Group		Company	
	2016	2015	2016	2015
	S$	S$	S$	S$
Current:				
Trade payables				
Third parties	578,852	659,344	–	–
Other payables				
Third parties	2,227,685	444,990	1,503,836	150,735
Subsidiary	–	–	726,697	–
Former subsidiaries	2,739,076	2,878,408	18,230	409,407
Related parties	432,000	446,920	432,000	432,000
Investee companies	–	1,277,507	–	1,100,000
Deposits received	290,672	792,778	–	–
Deferred revenue	590,605	841,076	–	–
Accruals	2,048,744	1,435,637	513,917	337,209
Others	41,177	66,199	1,437	204,890
	8,948,811	8,842,859	3,196,117	2,634,241

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.

As at 31 December 2016 and 2015, the amounts due to former subsidiaries were unsecured, non- trade in nature, interest free and repayable on demand.

The amounts due to third parties included S$1,100,000 (2015: S$1,100,000) which are unsecured, non-trade in nature and bears interest of 10% per annum and are repayable on demand.

26 Financial Guarantee Contract

	Group and Company	
	2016	2015
	S$	S$
At the beginning of the year	–	–
Provision made	8,736,766	–
At the end of the year	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 the former subsidiary to indemnify 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 pursuant to the financial guarantee provided by the Company. Management has recognised a provision amounting to S$8,736,766 (2015: Nil) which represents the fair value of management's best estimate of the future economic benefits that would be required to reimburse the fund.

27 Financial Liability, at Fair Value through Profit or Loss

	Group	
	2016	2015
	S$	S$
Financial liability, at fair value through profit or loss		
- Debt instrument, at fair value	1,583,990	3,751,555
Derivative liability, at fair value	1,292,202	601,770
	2,876,192	4,353,325

The financial liability arises from the assignment of the Group's Economic Rights on the 33.27% (2015: 36.76%) 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

28 Provision for Reinstatement Cost

	Group	
	2016	2015
	S$	S$
At the beginning of the year	–	–
Provision made	96,720	–
At the end of the year	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 5 years (2015: Nil).

29 Borrowings

	Group		Company	
	2016	2015	2016	2015
	S$	S$	S$	S$
Current				
Bank term loans (a)	35,000	6,661,167	–	–
Short term loan (b)	1,645,000	350,000	–	–
Hire purchase creditors (d)	30,890	29,713	23,697	22,698
Others (e)	23,623	24,036	–	–
	1,734,513	7,064,916	23,697	22,698
Non-current				
Bank term loans (a)	317,916	352,916	–	–
Advances from a third party (c)	500,000	–	500,000	–
Hire purchase creditor (d)	46,434	77,814	31,093	54,790
Others (e)	426,926	450,969	–	–
	1,291,276	881,699	531,093	54,790

29 Borrowings (cont'd)

Hire Purchase Creditors

	Minimum payments		Present value of minimum payments	
	2016	2015	2016	2015
	S$	S$	S$	S$
Group				
Not later than one year	33,620	33,795	30,890	29,713
Later than one year and not later than five years	47,992	82,134	46,434	77,814
	81,612	115,929	77,324	107,527
Less future finance charges	(4,288)	(8,402)	–	–
Present value of minimum lease payments	77,324	107,527	77,324	107,527
Company				
Not later than one year	25,596	25,596	23,697	22,698
Later than one year and not later than five years	31,970	57,566	31,093	54,790
	57,566	83,162	54,790	77,488
Less future finance charges	(2,776)	(5,674)	–	–
Present value of minimum lease payments	54,790	77,488	54,790	77,488

(a) The Group has one (2015: two) principal bank term loan:

(i) A bank term loan of S$352,916 (2015: S$387,916). The loan 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% (2015: 2.67%) per annum.

(ii) Prior year's bank term loan of S$6,626,167.

During the previous financial year, the subsidiary entered into an unwinding agreement with the bank. The agreement provides that upon final instalment payments of S$1,147,500 the bank shall:

- waive the payment of the outstanding amount of US$3,991,961 (approximately S$5,478,667); and
- release to the subsidiary the charged quoted equity shares which were mortgaged in connection with the term loan.

During the current financial year, the subsidiary obtained a full waiver of the loan principal and interest payable through the exchange of the proceeds from the sale of quoted equity shares which were mortgaged to the term loan.

29 Borrowings (cont'd)

(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 (2015: S$300,000) and (ii) third parties amounting to S$745,000 (2015: S$50,000).

(i) The short term loans of S$900,000 (2015: S$300,000) bear interest of 10% to 12% (2015: 10%) per annum with various repayment dates. The loans were secured by the following:

- assignment of the proceeds from sales of certain media content of US$923,520 (approximately S$1,305,765); and
- personal guarantee executed by one of the key management personnel and Director.

(ii) The short term loans of S$745,000 (2015: S$50,000) bear interest of 0.83% to 5% (2015: 3%) per month with various repayment dates. A loan amounting to S$250,000 was secured by personal guarantee executed by one Director.

(c) The Company entered into a subscription agreement on 2 October 2015 to issue 1% unsecured equity linked redeemable structured convertible notes due 2018 in an aggregate principal amount of up to S$50,000,000 in 8 tranches. During the current financial year, advances amounting to S$500,000 (2015: Nil) was received pertaining to the subscription. The advances were subsequently issued as convertible notes as described in Note 37(a)(i).

(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% (2015: 2.41% to 4.31%) per annum.

(e) Attilan Ventures Pte. Ltd. ("AVPL") purchased a property from a third party as disclosed in Note 20. The property is partly financed by a bank loan taken up by the third party and is secured by the said property. AVPL has a trust agreement with the third party and under the agreement, AVPL will continue to make monthly bank borrowing payments through the third 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% (2015: 2.42%) per annum.

30 Share Capital

	Group and Company			
	2016	2015	2016	2015
	S$	S$	S$	S$
Ordinary shares				
Issued and fully paid:				
At the beginning and end of the financial year	1,097,505,101	1,097,505,101	119,912,067	119,912,067

30 Share Capital (cont'd)

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.

31 Reserves

		Group	
		2016	**2015**
		S$	**S$**
Foreign currency translation reserve	(a)	849,942	865,650
Other reserves	(b)	(10,429,690)	(10,429,690)
Fair value reserves	(c)	924,508	2,181,604
		(8,655,240)	(7,382,436)

(a) Foreign Currency Translation Reserve

	Group	
	2016	**2015**
	S$	**S$**
Balance at the beginning of the year	865,650	383,940
Exchange difference on translation of foreign operations	399,935	(751,695)
Reclassification of foreign currency translation differences on disposal of subsidiaries	–	667,675
Reclassification of foreign currency translation differences on investment in associate transferred to financial assets, available-for-sale	–	(2,454)
Share in exchange differences on translation of foreign operations of associated companies	(415,643)	568,184
Balance at the end of the year	849,942	865,650

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.

31 Reserves (cont'd)

(b) Other Reserves

	Group 2016 S$	Group 2015 S$
Balance at the beginning of the year	(10,429,690)	(10,626,467)
Acquisition of additional interest in subsidiary (Note 17(c))	–	126,778
Acquisition of interest in subsidiary (Note 17(a)(ii))	–	69,999
Balance 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 2016 S$	Group 2015 S$
Balance at the beginning of the year	2,181,604	(266,620)
Net fair value (loss)/gain on financial assets, available-for-sale	(1,257,096)	2,260,147
Reclassification of fair value reserve on investment in associate transferred to financial asset, available-for-sale	–	188,077
Balance at the end of the year	924,508	2,181,604

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.

The movements in the reserves are recognised in the consolidated statement of comprehensive income.

32 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	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Within one year	561,624	875,616	–	391,890
Within two to five years	642,295	2,088,877	–	894,292
	1,203,919	2,964,493	–	1,286,182
Rental income for the year	642,720	447,382	45,936	245,346

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.

(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	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Within one year	80,400	–	–	–
Within two to five years	21,500	–	–	–
	101,900	–	–	–
Rental income for the year	44,500	64,000	–	–

(c) Capital Commitment

The Group has contractual commitments for intangible assets – production costs amounting to S$1,717,147 (2015: S$1,834,342).

33 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	
	2016	**2015**
	S$	**S$**
Loss from operations		
Loss after tax	(12,046,311)	(5,311,982)
Non-controlling interest	(299,242)	(5,528)
Loss attributable to owners of the Company	(11,747,069)	(5,306,454)

	Group	
	2016	**2015**
	Cents per share	**Cents per share**
Loss per share attributable to owners of the Company		
Basic and diluted loss per share	(1.07)	(0.48)
Number of shares		
Weighted average number of ordinary shares for the purposes of computing basic and diluted loss per share	1,097,505,101	1,097,505,101

There is no potential dilutive share as at 31 December 2016 and 31 December 2015.

34 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.

Unallocated income/costs represent corporate income/expenses while unallocated assets/liabilities comprise mainly corporate assets/liabilities. Segment assets consist of primarily cash and cash equivalents, financial assets, available-for-sale, trade receivables, other current assets, intangible assets and goodwill. Segment liabilities comprise mainly of trade and other payables.

34 Segment Information (cont'd)

Segment information about these business is presented below:

	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	–	–	6,260,565
Other corporate expense	–	–	–	(1,162,682)
Loss before tax				(12,047,051)
Segment assets	4,665,884	123,477	622,650	5,412,011
Segment liabilities	5,012,145	3,403,278	1,036,880	9,452,303
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)

34 Segment Information (cont'd)

	Investment Management	Media Sales	Pre-school	Total
	S$	S$	S$	S$
Group				
2015				
Revenue				
Segment revenue - external	1,702,440	2,376,230	–	4,078,670
Segment results	(148,006)	1,070,849	(16,425)	906,418
Depreciation and amortisation	(84,309)	(1,285,683)	–	(1,369,991)
Finance costs	(644,892)	(40,150)	–	(685,042)
Finance income	3,893	–	–	3,893
Share of loss of associated companies	(6,301,794)	–	–	(6,301,794)
Gain on disposal of subsidiaries	4,182,023	–	–	4,182,023
Unallocated amounts				
Depreciation and amortisation	–	–	–	(198,421)
Finance costs	–	–	–	(181,362)
Other corporate expense	–	–	–	(1,828,174)
Loss before tax				(5,472,450)
Segment assets	6,650,174	8,435,883	132,505	15,218,562
Segment liabilities	7,643,229	2,869,423	50,930	10,563,582
Other segment information				
Capital expenditure on property, plant and equipment	(7,838)	(6,500)	–	(14,338)
Capital expenditure on intangible assets	–	(1,271,897)	–	(1,271,897)
Impairment loss on goodwill	(54,435)	–	–	(54,435)
Impairment loss on intangible assets	–	(65,125)	–	(65,125)

34 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*	
	2016	2015	2016	2015
	S$	S$	S$	S$
Group				
Singapore	1,364,806	1,304,441	5,106,696	15,582,318
Malaysia	968,177	2,701,527	32,339	56,043
Cayman Islands	–	26,143	4	4
Others	–	46,559	–	–
	2,332,983	4,078,670	5,139,039	15,638,365

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

Included in the revenue arising from media sales of S$590,982 (2015: S$2,376,230) are revenue of approximately S$576,816 (2015: S$2,081,655) 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	
	2016	2015
	S$	S$
Segment assets for reportable segments	5,412,011	15,218,562
Investment in associated companies	1,922,726	4,553,818
Property, plant and equipment	614,369	701,511
Investment properties	2,151,944	2,195,648
Unallocated assets	2,641,557	852,343
Total assets	12,742,607	23,521,882

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.

34 Segment Information (cont'd)

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

	Group	
	2016	2015
	S$	S$
Segment liabilities for reportable segments	9,452,303	10,563,582
Borrowings	3,025,789	7,946,615
Unallocated liabilities	11,206,186	2,634,241
Total liabilities	23,684,278	21,144,438

35 Financial Guarantees

As at 31 December 2016, the Company has total financial guarantees amounting to S$9,089,682 (2015: S$7,457,416) issued to a bank for the subsidiary's bank borrowing and to a fund for the former subsidiary's secured redeemable notes.

(a) Bank borrowing

The fair value of the financial guarantee amounting to S$352,916 (2015: S$387,916) is estimated to be insignificant as the bank borrowing is collateralised by the related mortgaged property and the subsidiary has the ability to generate sufficient cash flows from its operations to finance its continuing operations and repay the bank borrowing.

(b) Secured redeemable notes

The Company has provided financial guarantee amounting to S$8,736,766 (2015: S$7,457,416) 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$8,736,766 (2015: Nil) (Note 26).

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

The Group's and Company's objectives when managing capital are: (a) to safeguard the Group's and 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 Company's overall strategy remains unchanged since 2015.

The Group and Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2016 and 31 December 2015, except for one (2015: one) of its subsidiary company.

One subsidiary was 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 subsidiary was in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 31 December 2015.

The Group and 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 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.

36 Financial Instruments (cont'd)

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

(i) Capital risk (cont'd)

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Net debt	23,167,054	20,413,791	12,376,936	2,550,437
Total equity	(10,941,671)	2,377,444	(5,530,046)	9,976,538
Net debt-to-equity ratio	N.M	8.59	N.M	0.26

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 Company. Impairment provisions are made for losses that have been incurred at the year end date. Significant changes in the economy, or in the health of a particular counterpart that represents a concentration in the Group and Company's portfolio, could result in losses that are different from those provided for at the year end date. Management therefore carefully manages its exposure to credit risk. The Group and 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 35. The Group's financial assets exposed to credit risk include cash and cash equivalents, trade receivables, other current and non-current assets (excluding prepayment), loan receivable and financial assets, available-for-sale debt securities.

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

36 **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 cash equivalents 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 debt securities.

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

	2016	**2015**
	S$	**S$**
Group		
Not past due and not impaired	2,840,405	1,030,588
Past due but not impaired #	84,447	24,533
	2,924,852	1,055,121
Impaired financial assets - individually assessed	24,338,125	24,434,053
Less: Allowance for impairment losses (Notes 14,15,16 and 23)	(24,338,125)	(24,434,053)
	–	–
Company		
Not past due and not impaired	6,514,685	11,749,281
Past due but not impaired#	–	–
	6,514,685	11,749,281
Impaired - individually assessed	100,101,698	92,393,786
Less: Allowance for impairment losses (Notes 16 and 23)	(100,101,698)	(92,393,786)
	–	–

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

36 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)

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Past due within 30 days	–	2,213	–	–
Past due within 31 to 90 days	–	2,885	–	–
Past due over 90 days	84,447	19,435	–	–
	84,447	24,533	–	–

(iii) Liquidity risk

The table below analyses the maturity profile of the Group 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					
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
Total undiscounted financial liabilities	18,966,277	3,709,815	611,101	23,287,193	22,996,953

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

36 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$
Group (cont'd)					
2015					
Financial liabilities					
Trade and other payables	8,001,783	–	–	8,001,783	8,001,783
Financial liabilities, at fair value through profit or loss	–	4,353,325	–	4,353,325	4,353,325
Borrowings	7,225,617	409,942	651,287	8,286,846	7,946,615
Financial guarantee contract	7,069,500	–	–	7,069,500	–
Total undiscounted financial liabilities	22,296,900	4,763,267	651,287	27,711,454	20,301,723
Company					
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	9,089,682	–	–	9,089,682	8,736,766
	12,421,395	531,970	–	12,953,365	12,487,673
2015					
Financial liabilities					
Trade and other payables	2,634,241	–	–	2,634,241	2,634,241
Borrowings	25,596	57,566	–	83,162	77,488
Financial guarantee contract	7,457,416	–	–	7,457,416	–
	10,117,253	57,566	–	10,174,819	2,711,729

36 Financial Instruments (cont'd)

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

(iii) Liquidity risk (cont'd)

The Group and Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

(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 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 Company. The Group and Company manage its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group obtains additional financing through bank borrowings. The Group's borrowings are mainly on fixed rates while a hire purchase facilities has 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.

36 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									
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)	–
Borrowings	(1,675,890)	(46,434)	–	(58,623)	(208,152)	(536,690)	(500,000)	(3,025,789)	0.83–12
	(11,512,656)	(46,434)	–	(58,623)	(208,152)	(536,690)	(3,454,319)	(15,816,874)	

36 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									
2015									
Cash and Bank balances	–	–	–	–	–	–	729,008	729,008	–
Financial assets, available-for-sale	–	–	–	–	–	–	5,382,060	5,382,060	–
Trade receivables	–	–	–	–	–	–	24,531	24,531	–
Other current assets	–	–	–	–	–	–	768,662	768,662	–
Other non-current assets	–	–	–	–	–	–	261,926	261,926	–
Trade and other payables	(1,100,000)	–	–	–	–	–	(6,901,783)	(8,001,783)	10
Financial liabilities, at fair value through profit or loss	–	–	–	–	–	–	(4,353,325)	(4,353,325)	–
Borrowings	(379,713)	(77,814)	–	(6,685,203)	(242,816)	(561,069)	–	(7,946,615)	0.684-10
	(1,479,713)	(77,814)	–	(6,685,203)	(242,816)	(561,069)	(4,088,921)	(13,135,536)	

36 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					
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
Borrowings	(23,697)	(31,093)	(500,000)	(554,790)	5.18
	(8,760,463)	(31,093)	2,929,305	(5,862,251)	
2015					
Cash and bank balances	–	–	161,292	161,292	–
Other receivables	–	–	2,293,369	2,293,369	–
Other non-current asset	–	–	9,455,912	9,455,912	–
Trade and other payables	–	–	(2,634,241)	(2,634,241)	–
Borrowings	(22,698)	(54,790)	–	(77,488)	4.31
	(22,698)	(54,790)	9,276,332	9,198,844	

36 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 decrease/(increase) in loss before tax (2015: loss before tax) as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$	**S$**	**S$**	**S$**
Income statement and equity				
-interest rate increased by 1%	(8,035)	(74,891)	–	–
-interest rate decreased by 1%	8,035	74,891	–	–

(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 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.

36 Financial Instruments (cont'd)

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

(v) *Foreign currency risk* (cont'd)

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

	Singapore Dollar	**Malaysian Ringgit**	**United States Dollar**	**Total**
	S$	**S$**	**S$**	**S$**
Group				
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)
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	(8,518,118)	3,384,941	(10,780,417)	(15,913,594)
Less: Net financial liabilities denominated in the respective entities' functional currency	8,519,774	332,284	276,191	9,128,249
Currency exposure	1,656	3,717,225	(10,504,226)	(6,785,345)

36 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				
2015				
Cash and bank balances	433,137	205,416	90,455	729,008
Financial assets, available-for -sale	350,657	4,968,691	62,712	5,382,060
Trade receivables	–	–	24,531	24,531
Other receivables	650,617	118,045	–	768,662
Other non-current assets	261,926	–	–	261,926
Trade and other payables	(5,604,095)	(346,761)	(2,050,927)	(8,001,783)
Financial liabilities, through profit or loss	(4,353,325)	–	–	(4,353,325)
Borrowings	(1,290,409)	(30,039)	(6,626,167)	(7,946,615)
Net financial (liabilities)/assets	(9,551,492)	4,915,352	(8,499,396)	(13,135,536)
Less: Net financial liabilities denominated in the respective entities' functional currency	9,568,247	53,339	6,826,763	16,448,349
Currency exposure	16,755	4,968,691	(1,672,633)	3,312,813

36 Financial Instruments (cont'd)

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

(v) Foreign currency risk (cont'd)

	Singapore Dollar S$	Malaysian Ringgit S$	United States Dollar S$	Total S$
Company				
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)
Borrowing	(554,790)	–	–	(554,790)
Net financial assets/(liabilities)	2,900,891	(382)	(8,762,760)	(5,862,251)
Less: Net financial assets denominated in the entity's functional currency	(2,900,891)	–	–	(2,900,891)
Currency exposure	–	(382)	(8,762,760)	(8763,142)
2015				
Cash and bank balances	152,196	–	9,096	161,292
Other receivables	2,293,319	50	–	2,293,369
Other non-current assets	9,455,912	–	–	9,455,912
Trade and other payables	(2,634,241)	–	–	(2,634,241)
Borrowing	(77,488)	–	–	(77,488)
Net financial assets	9,189,698	50	9,096	9,198,844
Less: Net financial assets denominated in the entity's functional currency	(9,189,698)	–	–	(9,189,698)
Currency exposure	–	50	9,096	9,146

36 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 increase/(decrease) the income statement by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Increase/ (decrease) loss after tax	Company Increase/ (decrease) loss after tax
	S$	S$
2016		
Malaysian ringgit	(74,345)	8
United States dollar	210,085	175,255
2015		
Malaysian ringgit	(99,374)	(1)
United States dollar	33,453	(182)

(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 consolidated statement of financial position as financial assets, at fair value through profit or loss and financial assets, available-for-sale. Some securities are listed in Singapore. The market value of these investments are 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% (2015: 5%) increase/(decrease) in the underlying equity prices at the reporting date would increase/(decrease) profit or loss and equity by the following amount:

	Group	
	2016	2015
	S$	S$
Equity	–	17,533

This analysis assumes that all other variables remain constant.

36 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$**
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
2015				
Financial assets, available-for-sale				
- Equity instruments (unquoted)	–	–	4,968,691	4,968,691
- Equity instruments (quoted)	350,657	–	–	350,657
Financial liability, fair value through profit or loss				
- Debt instruments (quoted)	3,751,555	–	–	3,751,555
- Derivative liability	–	601,770	–	601,770

36 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)

There was no transfer between Level 1 and 2 during the financial years ended 31 December 2016 and 31 December 2015.

Determination of fair value

Fair value of quoted equity instruments are 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).

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 inputs for the assets that are not based on observable market data (unobservable inputs).

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

36 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	
2015	
Opening balance	24,141,683
Total gain recognised in other comprehensive income	
- net fair value gain on financial assets, available-for-sale	2,260,147
Disposal	(22,748,399)
Purchases	8,907
Currency alignment	1,306,353
	4,968,691

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.
- For financial year ended 31 December 2015	EV/EBITDA	EV/EBITDA multiple of 9 times	The higher the EV/EBITDA, the higher the fair value.

36 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.

		Effect of reasonably possible alternative assumptions	
	Carrying Amount	Other Comprehensive Income	
		Increase	Decrease
	S$	S$	S$
2016			
Available-for-sale financial assets:			
Unquoted equity securities	3,711,595	474,136	(474,136)
2015			
Available-for-sale financial assets:			
Unquoted equity securities	4,968,691	673,867	(673,867)

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 years ended 31 December 2016 and 31 December 2015, 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 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.

36 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.

37 Events Occurring After the Reporting Period

(a) The Company has entered into a subscription agreement and obtained shareholders' approval on 5 January 2017, for the issuance of 1% unsecured equity linked redeemable structured convertible notes due 2018, with an aggregate principal amount of up to S$50,000,000 in eight tranches. Subsequently, 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.

(b) On 5 January 2017, the Company obtained shareholders' approval for the diversification of the core business of the Group to include the provision of business and early childhood education industry in Singapore and in Southeast Asia, particularly Malaysia, Indonesia and Vietnam.

SHAREHOLDERS' INFORMATION

As at 31 March 2017

STATISTICS OF SHAREHOLDINGS AS OF 31 MARCH 2017

Number of Shares	:	1,197,042,138		
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 own 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	455	10.94	203,779	0.02
1,001 - 10,000	866	20.82	5,870,281	0.49
10,001 - 1,000,000	2,636	63.36	380,607,864	31.79
1,000,001 AND ABOVE	146	3.51	810,357,880	67.70
TOTAL	**4,160**	**100.00**	**1,197,042,138**	**100.00**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information available to the Company as at 31 March 2017, 65.50% 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 31 March 2017

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RHB SECURITIES SINGAPORE PTE. LTD.	115,862,000	9.68
2	CIMB SECURITIES (SINGAPORE) PTE LTD	41,695,161	3.48
3	PHILLIP SECURITIES PTE LTD	33,184,144	2.77
4	ABN AMRO CLEARING BANK N.V	28,632,000	2.39
5	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	24,470,000	2.04
6	MAYBANK KIM ENG SECURITIES PTE LTD	24,201,864	2.02
7	CITIBANK NOMINEES SINGAPORE PTE LTD	20,187,900	1.69
8	CHEA YUET NGOR	19,165,000	1.60
9	OCBC SECURITIES PRIVATE LIMITED	16,235,144	1.36
10	LEE SOO KIM	15,670,000	1.31
11	RAFFLES NOMINEES (PTE) LIMITED	15,199,900	1.27
12	CHOW WING KWOK	14,987,000	1.25
13	SZU WEI KUANG	14,000,000	1.17
14	TAN HEE NAM	14,000,000	1.17
15	DBS NOMINEES (PRIVATE) LIMITED	13,776,957	1.15
16	QUEK SWEE SIANG	12,688,800	1.06
17	LI HUA	12,004,000	1.00
18	LIM & TAN SECURITIES PTE LTD	11,157,236	0.93
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	9,732,949	0.81
20	CHEW EU HOCK PTE LTD	9,500,000	0.79
	TOTAL	**466,350,055**	**38.94**

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 Hi-5 House of Learning, 10 Hoe Chiang Road, Keppel Towers #01-01/03, Singapore 089315 on Tuesday, 25 April 2017 at 2:30 p.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' Statement and Auditors' Report thereon.
[See Explanatory Note (i)]

2. To re-elect the following Directors retiring under Article 97 of the Constitution of the Company: -

   2.1 Mr. Balraj Singh Pannu a/l Gajjan Singh **(Resolution 1)**
   2.2 Mr. Jaleeludeen Bin Abu Baker **(Resolution 2)**
   [See Explanatory Note (ii)]

3. To re-elect Datuk Jared Lim Chih Li as Director of the Company pursuant to Article 91 of the Constitution of the Company.
[See Explanatory Note (iii)] **(Resolution 3)**

4. To approve the payment of Directors' fees of S$79,194.00 for the financial year ended 31 December 2016 (2015: S$96,000.00). **(Resolution 4)**

5. To re-appoint Messrs. Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS:

6. 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."
[See Explanatory Note (iv)] **(Resolution 6)**

7. 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, 10 April 2017

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 and 2 : Re-election of Directors retiring under Article 97**

(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. Jaleeludeen Bin Abu Baker will, upon re-election as Director of the Company, remain as Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee.

Both Mr. Balraj Singh Pannu a/l Gajjan Singh and Mr. Jaleeludeen Bin Abu Baker will considered as independent Directors for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(iii) **Ordinary Resolutions 3 : Re-election of Director retiring under Article 91**

Datuk Jared Lim Chih Li will, upon re-election as Director of the Company, remain as Managing Director of the Company.

(iv) **Ordinary Resolutions 6 : Authority to issue and allot shares**

The Ordinary Resolution No. 6, 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.

NOTICE OF ANNUAL GENERAL MEETING

31 December 2016

Resolutions 1, 2, 3, 4, 5 and 6 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 Hi-5 House of Learning, 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. ____________________

of ____ (Address)

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

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

*and/or (delete as appropriate)

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

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 Hi-5 House of Learning, 10 Hoe Chiang Road, Keppel Towers #01-01/03, Singapore 089315 on Tuesday, 25 April 2017 at 2:30 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 Mr. Balraj Singh Pannu a/l Gajjan Singh as Director of the Company pursuant to Article 97 of the Constitution of the Company.		
2	To re-elect Mr. Jaleeludeen Bin Abu Baker as Director of the Company pursuant to Article 97 of the Constitution of the Company.		
3	To re-elect Datuk Jared Lim Chih Li as Director of the Company pursuant to Article 91 of the Constitution of the Company.		
4	To approve the payment of Directors' fees of S$79,194.00 for the financial year ended 31 December 2016 (2015: S$96,000.00).		
5	To re-appoint Messrs. Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

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 ____________________ 2017

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:

   (a) 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 10 April 2017.

Affix
Postage
Stamp
here

ATTILAN GROUP LIMITED
Hi-5 House of Learning
10 Hoe Chiang Road,
Keppel Towers #01-01/03,
SINGAPORE 089315

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