

Unaudited Financial Statement and Dividend Announcement – Second Quarter and Half Year ended 30 June 2018

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

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

Unaudited Consolidated Income Statement

	Group			Group		
	Quarter Ended 30-Jun-18	Quarter Ended 30-Jun-17	Increase / (Decrease)	Half Year Ended 30-Jun-18	Half Year Ended 30-Jun-17	Increase / (Decrease)
	S\$	S\$	%	S\$	S\$	%
Revenue	501,907	504,612	-1%	1,040,474	999,301	4%
Cost of sales	(65)	(65,466)	-100%	(65,386)	(136,958)	-52%
Administrative expenses	(545,305)	(1,143,408)	-52%	(1,208,326)	(2,281,104)	-47%
Other income - net	150,452	230,294	-35%	374,156	495,893	-25%
Other expenses - net	(3,130)	(26,407)	-88%	(3,130)	(26,407)	-88%
Profit / (Loss) from operations	103,859	(500,375)	nm	137,788	(949,275)	nm
Finance income	14	283	-95%	28	294	-90%
Finance costs	(29,342)	(34,753)	-16%	(62,614)	(83,386)	-25%
Share of loss of associated company	-	(290,526)	nm	-	(107,514)	nm
Profit / (Loss) before tax	74,531	(825,371)	nm	75,202	(1,139,881)	nm
Income tax expense	-	(13,760)	nm	14,678	(13,760)	nm
Profit / (Loss) after tax	74,531	(839,131)	nm	89,880	(1,153,641)	nm
Profit / (Loss) attributable to:						
Owners of the Company	83,775	(771,095)	nm	165,207	(1,010,653)	nm
Non-controlling interest	(9,244)	(68,036)	-86%	(75,327)	(142,988)	-47%
	74,531	(839,131)	nm	89,880	(1,153,641)	nm

nm = not meaningful

Unaudited Consolidated Statement of Comprehensive Loss

	Group			Group		
	Quarter Ended 30-Jun-18	Quarter Ended 30-Jun-17	Increase / (Decrease)	Half Year Ended 30-Jun-18	Half Year Ended 30-Jun-17	Increase / (Decrease)
	S\$	S\$	%	S\$	S\$	%
Profit / (Loss) after tax	74,531	(839,131)	nm	89,880	(1,153,641)	nm
Other comprehensive (loss)/income, net of tax:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	(91,677)	(42,880)	114%	(76,771)	195,890	nm
Fair value reserve on financial assets, available-for-sale-reclassification adjustment relating to disposal of subsidiaries	-	-	nm	-	4,205	nm
Net fair value (loss)/gain on financial assets, available for sale	-	-	nm	-	-	nm
Share of other comprehensive loss of associated company:						
Exchange differences on translation of foreign operations	-	167,429	nm	-	(303,286)	nm
Other comprehensive loss) / income for the period, net of tax	(91,677)	124,549	nm	(76,771)	(103,191)	-26%
Total comprehensive (loss)/income for the period	(17,146)	(714,582)	-98%	13,109	(1,256,832)	nm
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(7,902)	(693,033)	-99%	88,436	(1,113,844)	nm
Non-controlling interest	(9,244)	(21,549)	nm	(75,327)	(142,988)	-47%
	(17,146)	(714,582)	-98%	13,109	(1,256,832)	nm

nm = not meaningful

Notes to the Statement of Comprehensive Income (Loss)/Profit before tax is after crediting/(charging):-

	Group		Group	
	Quarter Ended 30-Jun-18	Quarter Ended 30-Jun-17	Half Year Ended 30-Jun-18	Half Year Ended 30-Jun-17
	S\$	S\$	S\$	S\$
Depreciation and amortisation expenses	(47,439)	(108,232)	(184,787)	(217,764)
Fair value gain on financial liability, at fair value through profit or loss	-	41,684	83,368	125,052
Finance income	14	283	28	294
Finance costs	(29,342)	(34,753)	(62,614)	(83,386)
Foreign exchange (loss)/gain - net	22,901	187,203	153,080	360,234
Property, plant and equipment written off	-	-	(3,130)	-
Share of loss of associated company	-	(290,526)	-	(107,514)

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

	Group		Company	
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017
	S\$	S\$	S\$	S\$
ASSETS				
Current Assets				
Cash and bank balances	87,129	318,499	27,248	213,591
Other current assets	5,644,356	5,465,999	5,194,101	5,065,005
Amount due from subsidiaries	-	-	247,171	-
	<u>5,731,485</u>	<u>5,784,498</u>	<u>5,468,520</u>	<u>5,278,596</u>
Investment properties held for sale	2,050,000	2,050,001	-	-
Total Current Assets	7,781,485	7,834,499	5,468,520	5,278,596
Non-Current Assets				
Investments in subsidiaries	-	-	5	5
Financial assets, available-for-sale	2	2	-	-
Property, plant and equipment	194,164	330,699	59,962	98,340
Intangible assets	300,000	350,000	-	-
Other non-current assets	119,014	119,013	-	-
Total Non-Current Assets	613,180	799,714	59,967	98,345
Total Assets	8,394,665	8,634,213	5,528,487	5,376,941
Current Liabilities				
Trade and other payables	11,457,484	11,470,879	5,877,534	5,544,082
Financial guarantee contracts	7,773,678	8,074,093	7,773,678	8,074,093
Put Options liabilities	24,500,000	24,500,000	24,500,000	24,500,000
Borrowings	1,656,445	1,482,414	167,503	39,740
	<u>45,387,607</u>	<u>45,527,386</u>	<u>38,318,715</u>	<u>38,157,915</u>
Liabilities directly associated with investment properties held for sale	714,280	744,008	-	-
Total Current Liabilities	46,101,887	46,271,394	38,318,715	38,157,915
Non-Current Liabilities				
Financial liability, at fair value through profit or loss	2,459,353	2,542,721	-	-
Provision for reinstatement cost	96,720	96,720	-	-
Borrowings	14,552	14,334	6,353	6,353
Total Non-Current Liabilities	2,570,625	2,653,775	6,353	6,353
Total Liabilities	48,672,512	48,925,169	38,325,068	38,164,268
Equity Attributable to Owners of the Company				
Share capital	120,312,067	120,312,067	120,312,067	120,312,067
Accumulated losses	(150,715,983)	(150,881,190)	(154,328,567)	(154,319,313)
Foreign currency translation reserve	490,650	567,421	85,919	85,919
Other reserve	(10,429,690)	(10,429,690)	-	-
Equity component of convertible notes	1,134,000	1,134,000	1,134,000	1,134,000
Total Shareholders' Funds	(39,208,956)	(39,297,392)	(32,796,581)	(32,787,327)
Non-controlling Interests	(1,068,891)	(993,564)	-	-
Total Equity	(40,277,847)	(40,290,956)	(32,796,581)	(32,787,327)
Total Liabilities and Equity	8,394,665	8,634,213	5,528,487	5,376,941

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

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

As at 30 June 2018		As at 31 December 2017	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
1,656,445	-	1,482,414	-

(B) Amount repayable after one year

As at 30 June 2018		As at 31 December 2017	
S\$	S\$	S\$	S\$
Secured	Unsecured	Secured	Unsecured
14,552	-	14,334	-

(C) Whether the amounts are secured or unsecured

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

(D) Details of any collateral:

- (1) The Company is a corporate guarantor for a term loan granted to a wholly owned subsidiary. The term loan is for the purchase of a leasehold property and is secured by the said property.
- (2) The Group's motor vehicles are purchased under Hire Purchase and are secured by the said vehicles.
- (3) The Company is a corporate guarantor to a fund managed by a former subsidiary for the fund's investee company secured redeemable notes. The Company has a back to back indemnity from the former subsidiary for the amount guaranteed by the Company and is working towards the eventual release of the corporate guarantee. The company has made a provision for the corporate guarantee expenses amounting to US\$6,040,770 in Year 2016. The group has entered into a deed of settlement with Philip Asia on 18 May 2018 and shall make an aggregate payment of S\$2 million ("Total Settlement Amount") to Phillip Asia. To date the Company have settled a sum of SGD150,000 based on the repayment schedule in the deed.
- (4) Term loans are granted to subsidiaries which are secured by personnel guarantees from key management personals and proceeds from sales of media content and debenture on assets.

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

	Group		Group	
	Quarter Ended 30 June 2018	Quarter Ended 30 June 2017	Half Year Ended 30 June 2018	Half Year Ended 30 June 2017
	S\$	S\$	S\$	S\$
Cash flows from operating activities:				
(Loss)/Profit before tax	74,531	(825,371)	75,202	(1,139,881)
Adjustments for:				
Depreciation and amortisation expenses	47,439	108,232	184,787	217,764
Fair value loss / (gain) on financial liability, at fair value	-	(41,684)	(83,368)	(125,052)
Finance costs	29,342	34,753	62,614	83,386
Finance income	(14)	(283)	(28)	(294)
Loss/(Gain) on disposal of financial assets, available for sale	-	26,407	-	26,407
Gain on disposal of property, plant and equipment	-	(125)	-	(125)
Property, plant and equipment written off	3,130	-	3,130	-
Share of loss of associated company	-	290,526	-	107,514
Unrealised foreign currency loss/(gain)	(203,111)	232,369	(113,561)	59,881
Operating cash flows before changes in working capital	(48,683)	(175,176)	128,776	(770,400)
Changes in working capital:				
Financial assets, available-for-sale	-	(4,204)	-	-
Trade and other receivables and other current assets	(113,934)	(592,615)	(243,769)	(589,487)
Trade and other payables	91,198	294,619	(235,759)	(53,382)
Net cash (used in)/from operations	(71,419)	(477,376)	(350,752)	(1,413,269)
Income tax paid	-	(13,760)	14,678	(13,760)
Net cash (used in)/from operating activities	(71,419)	(491,136)	(336,074)	(1,427,029)
Cash flows from investing activities:				
Interest received	14	283	28	294
Purchase of intangible assets	-	-	-	-
Purchase of property, plant and equipment	3	-	(1,117)	-
Proceeds from disposal of property, plant and equipment	-	125	-	125
Net cash from/(used in) investing activities	17	408	(1,089)	419
Cash flows from financing activities:				
Proceeds from borrowings	(110,000)	-	190,000	-
Proceeds from issuance of convertible notes	-	-	-	750,000
Repayment of borrowings	210,679	(14,864)	(54,185)	(224,728)
Repayment of finance leases	(24,612)	(7,691)	(39,771)	(15,318)
Advances from/(Repayment to) former subsidiaries and related	(95,226)	621,650	9,750	632,579
Interest paid	-	-	-	-
Net cash generated from financing activities	(19,159)	599,095	105,794	1,142,533
Net increase/(decrease) in cash and cash equivalents	(90,561)	108,367	(231,369)	(284,077)
Cash and cash equivalents at the beginning of the year	177,690	124,780	318,498	517,224
Cash and cash equivalent at the end of the quarter	87,129	233,147	87,129	233,147

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

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Equity Component of Convertible Notes	Other Reserves	Total	Non-Controlling Interest	Total Equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Group									
<u>3 months ended 30 June 2018</u>									
At 1 April 2018	120,312,067	582,327	(150,799,758)	-	1,134,000	(10,429,690)	(39,201,054)	(1,059,647)	(40,260,701)
Conversion of shares from convertible notes	-	-	-	-	-	-	-	-	-
Loss	-	-	83,775	-	-	-	83,775	(9,244)	74,531
Other Comprehensive income	-	(91,677)	-	-	-	-	(91,677)	-	(91,677)
Total comprehensive income/(loss)	-	(91,677)	83,775	-	-	-	(7,902)	(9,244)	(17,146)
Balance as at 30 June 2018	120,312,067	490,650	(150,715,983)	-	1,134,000	(10,429,690)	(39,208,956)	(1,068,891)	(40,277,847)

	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
GROUP									
<u>3 months ended 30 June 2017</u>									
At 1 April 2017	120,212,067	617,997	(146,663,286)	928,713	-	(10,429,690)	(35,334,199)	(349,722)	(35,683,921)
Conversion of shares from convertible notes	100,000	-	-	-	-	-	100,000	-	100,000
Profit	-	-	(771,095)	-	-	-	(771,095)	(68,036)	(839,131)
Other Comprehensive income	-	124,549	-	-	-	-	124,549	-	124,549
Total comprehensive income/(loss)	-	124,549	(771,095)	-	-	-	(646,546)	(68,036)	(714,582)
Balance as at 30 June 2017	120,312,067	742,546	(147,434,381)	928,713	-	(10,429,690)	(35,880,745)	(417,758)	(36,298,503)

	Share Capital	Foreign Currency Translation Reserve	Equity Component of Convertible Notes	Accumulated Losses	Total
	S\$	S\$	S\$	S\$	S\$
COMPANY					
<u>3 months ended 30 June 2018</u>					
At 1 April 2018	120,312,067	85,919	1,134,000	(154,286,405)	(32,754,419)
Conversion of shares from convertible notes	-	-	-	-	-
Loss	-	-	-	(42,162)	(42,162)
Total comprehensive loss	-	-	-	(42,162)	(42,162)
Balance as at 30 June 2018	120,312,067	85,919	1,134,000	(154,328,567)	(32,796,581)
COMPANY					
<u>3 months ended 30 June 2017</u>					
At 1 April 2017	120,212,067	85,919	-	(150,127,243)	(29,829,257)
Conversion of shares from convertible notes	100,000	-	-	-	100,000
Loss	-	-	-	(113,092)	(113,092)
Total comprehensive loss	-	-	-	(113,092)	(113,092)
Balance as at 30 June 2017	120,312,067	85,919	-	(150,240,335)	(29,842,349)

	Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Fair Value Reserve	Equity Component of Convertible Notes	Other Reserves	Total	Non- Controlling Interest	Total Equity
Group	S\$	S\$	S\$	S\$		S\$	S\$	S\$	S\$
<u>6 months ended 30 June 2018</u>									
At 1 January 2018	120,312,067	567,421	(150,881,190)	-	1,134,000	(10,429,690)	(39,297,392)	(993,564)	(40,290,956)
Conversion of shares from convertible notes	-	-	-	-	-	-	-	-	-
(Loss) / Profit for the Year	-	-	165,207	-	-	-	165,207	(75,327)	89,880
Other comprehensive (loss)/income	-	(76,771)	-	-	-	-	(76,771)	-	(76,771)
Total comprehensive (loss)/income	-	(76,771)	165,207	-	-	-	88,436	(75,327)	13,109
Balance as at 30 June 2018	120,312,067	490,650	(150,715,983)	-	1,134,000	(10,429,690)	(39,208,956)	(1,068,891)	(40,277,847)
Group	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>6 months ended 30 June 2017</u>									
At 1 January 2017	119,912,067	849,942	(146,423,728)	924,508	-	(10,429,690)	(35,166,901)	(274,770)	(35,441,671)
Conversion of shares from convertible notes	400,000	-	-	-	-	-	400,000	-	400,000
Loss for the Year	-	-	(1,010,653)	-	-	-	(1,010,653)	(142,988)	(1,153,641)
Other comprehensive (loss)/income	-	(107,396)	-	4,205	-	-	(103,191)	-	(103,191)
Total comprehensive (loss)/income	-	(107,396)	(1,010,653)	4,205	-	-	(1,113,844)	(142,988)	(1,256,832)
Balance as at 30 June 2017	120,312,067	742,546	(147,434,381)	928,713	-	(10,429,690)	(35,880,745)	(417,758)	(36,298,503)

	Share Capital	Foreign Currency Translation Reserve	Equity Component of Convertible Notes	Accumulated Losses	Total
Company	S\$	S\$	S\$	S\$	S\$
<u>6 months ended 30 June 2018</u>					
At 1 January 2018	120,312,067	85,919	1,134,000	(154,319,313)	(32,787,327)
Conversion of shares from convertible notes	-	-	-	-	-
Loss for the Year	-	-	-	(9,254)	(9,254)
Total comprehensive loss	-	-	-	(9,254)	(9,254)
Balance as at 30 June 2018	120,312,067	85,919	1,134,000	(154,328,567)	(32,796,581)
Company	S\$	S\$		S\$	S\$
<u>6 months ended 30 June 2017</u>					
At 1 January 2017	119,912,067	85,919	-	(150,028,032)	(30,030,046)
Conversion of shares from convertible notes	400,000	-	-	-	400,000
Loss for the Year	-	-	-	(212,303)	(212,303)
Total comprehensive loss	-	-	-	(212,303)	(212,303)
Balance as at 30 June 2017	120,312,067	85,919	-	(150,240,335)	(29,842,349)

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

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

Issued and fully paid (ordinary shares ("Shares"))	No. of Shares	Share Capital (S\$)
As at 1 April 2018	1,238,708,804	120,212,067
NIL	Nil	Nil
As at 30 June 2018	1,238,708,804	120,312,067

The number of Shares that may be issued on conversion of the outstanding convertibles as at 30 June 2018 is as follows:

As at 30 June 2018	No. of Shares that may be issued	Share Capital (S\$)
The outstanding convertibles that have been issued as at 30 June 2018 amounts to S\$0.85 million. The convertibles arising from the remaining convertible notes that have yet to be drawn down is S\$48.75 million. For illustrative purposes, the table shows the number of Shares to be issued assuming full conversion of the convertible notes at the conversion price of S\$0.0016. There are no treasury shares as at the end of the current financial period and as at end of the immediately preceding financial year.	31,000,000,000	49,600,000

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

	As at 30 June 2018	As at 31 December 2017
Total number of issued shares	1,238,708,804	1,238,708,804
Less: Treasury Shares	Nil	Nil
Total number of issued shares excluding treasury shares	1,238,708,804	1,238,708,804

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

Not applicable.

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

The financial results of the Group for the quarter ended 30 June 2018 have not been audited or reviewed.

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

The financial results of the Group for the quarter ended 30 June 2018 have not been audited or reviewed.

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

The Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements as at 31 December 2017.

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

The Group has adopted the same accounting policies and method of computations in the financial statements for the current financial period reported as in the last audited financial statements, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2017. The adoption of these new and revised FRS has no material effect for the current financial period.

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

Earnings per share

	Group		Group	
	Quarter ended 30 June 2018	Quarter ended 30 June 2017	Half Year ended 30 June 2018	Half Year ended 30 June 2017
Loss per ordinary share for the year after deducting any provision for preference dividend:-				
Basic and fully diluted				
Group (Singapore cents)	0.01	(0.06)	0.01	(0.08)
Weighted average number of ordinary shares for the purposes of computing basic and diluted earnings per share	1,238,708,804	1,226,208,804	1,238,708,804	1,226,208,804
(Loss)/Profit attributable to owners of the Company (\$\$)	83,775	(771,095)	165,207	(1,010,653)

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

	As at 30 June 2018	As at 31 December 2017
Net asset value per ordinary share based on existing issued share capital at the end of the period :-		
(i) Based on number of ordinary shares		
Group (Singapore cents)	(3.17)	(3.17)
Company (Singapore cents)	(2.65)	(2.65)
Number of shares in issue applicable to net asset value per ordinary share	1,238,708,804	1,238,708,804

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

(a) **Income Statement**

Revenue

For Q2 FY2018, revenue remained consistent with the corresponding quarter in Q2 FY2017 at S\$0.50 million.

The revenue increased slightly by S\$0.04 million or 4% to S\$1.04 million in HY FY2018 as compared to the corresponding first half of 2017 as the Group recorded better revenue from its investment management.

Profit/(Loss) before tax

The group registered profit before tax of S\$0.07 million for Q2 FY2018 as compared to loss before tax of S\$0.83 million for Q2 FY2017 and profit before tax of S\$0.08million for HY FY2018 as compared to loss before tax of S\$1.1 million for HY F2017. These were mainly due to the lower administrative expenses as a result of lower employee cost and lower share of loss of associated company that have been fully impaired in FY2017.

Comprehensive (loss) / income

The Group recorded comprehensive loss of approximately S\$0.02 million in Q2 FY2018 and S\$0.7 million in Q2 FY2017 respectively.

The Group recorded comprehensive income of approximately S\$0.01 million in HY FY2018 and comprehensive loss of S\$1.3 million in HY FY2017 respectively were mainly due to the exchange differences on translation of foreign operations.

Expenses

- (1) **Cost of sales** in Q2 FY2018 was due mainly to the amortization of Hi-5 House of Learning license fee.
- (2) **Administrative expenses** decreased by approximately of S\$0.6 million in Q2 FY2018 as compared to Q2 FY2017 due mainly to lower employee costs recorded.
- (3) **Other income** decreased by approximately of S\$0.08 million in Q2 FY2018 as compared to Q2 FY2017 due to the lower foreign exchange gain recorded.
- (4) **Other expenses** decreased by approximately of S\$0.02 million in Q2 FY2018 as compared to Q2 FY2017 due mainly to the loss on disposal of financial asset recorded in Q2 FY2017.
- (5) **Finance income** comprised of interest income from bank deposits.
- (6) **Finance cost** decreased by S\$5,411 or 16% in Q2 FY2018 as compared to Q2 FY2017 mainly due to the decrease in the interest expenses on borrowings as the cost of fund decreased.

	Q2 FY2018	Q2 FY2017	Variance
	S\$'000	S\$'000	S\$'000
Interest expenses on borrowings	-	7	(7)
Interest expenses on advances from other payables	29	28	1
Total	29	35	(6)

- (7) The Group recorded lower **share of loss from associated company** in Q2 FY2018 compared to Q2 FY2017 as a result of full provision made on the associated company in 2017.

(b) Consolidated Balance Sheet and Cash Flow:

The **net current liabilities** of the Group was approximately S\$38.3 million as at 30 June 2018 as compared to net current liabilities of S\$38.4 million as at 31 December 2017.

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

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

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

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

- 1b. The **other current assets** comprised of prepayments and deposit paid.

- 1c. **Trade and other payables** decreased by approximately S\$0.01 million mainly due to the payment made.

- 1d. **Borrowings** refer to the current portion of the bank term loans, hire purchase creditors and third party loans.

The **net non-current assets** of the Group was approximately S\$2.0 million as at 30 June 2018 as compared with \$1.9 million as at 31 December 2017. The decrease of S\$0.1 million was mainly due to:

- 2a. The decrease in **Property, plant and equipment** was due to the depreciation charged for the quarter.

- 2b. The decrease in **Intangible assets** was due to the amortisation charged of license fee for the period.

<p>INTERNAL USE ONLY These are mainly due to Hi-5 House of learning centre franchise agreement between Hi-5 Learning Pte Ltd and HOL International Pte Ltd.</p>

- 2c. **Other non-current assets** refer to the long term portion of the deposit paid for rental.

- 2d. **Borrowings** refer to the hire purchase creditors .

- 2e. **Financial liability, at fair value through profit or loss** refer to the long term portion of the economic right on quoted securities payable to former subsidiary. The decrease was due to fair value gain recognized

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

No forecast or prospect statement was made previously.

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

The preschool division is still in the development phase and is seeing a steady increase in enrolment numbers. The company is preparing for an expansion into the other parts of Singapore via organic growth, licensing and is also exploring acquisition of other preschool centres.

The Company is still working towards a resumption of trading for our shares. However, this is subject to the Company's fulfilment of conditions that the SGX-ST will impose as it deems fit in its discretions.

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

11. Dividend

(a) Current Financial Year Reported On 30 June 2018

Any dividend declared for the current financial year reported on?

Not applicable.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

Not Applicable.

(d) Books closure date

Not applicable.

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

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

13. Summary of Interested Person Transactions

Summary of Interested Person Transactions for the financial period ended 30 June 2018

There is no general mandate on Interested Person Transactions.

The aggregate value of interested person transactions for the period ended 30 June 2018 is as follows:

Name of interested person and nature of transactions	Group			
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 excluding (excluding transactions less than S\$100,000)	
	HY ended 30 June 2018	HY ended 30 June 2017	HY ended 30 June 2018	HY ended 30 June 2017
Datuk Jared Lim Chih Li	N.A.	N.A.	N.A.	N.A.
Mr. Ng Teck Wah	N.A.	N.A.	N.A.	N.A.

Material Contracts

Save as disclosed above, there were no other material contracts of the Company and its subsidiaries involving the interests of the Managing Director, any director or controlling shareholders for the financial period ended 30 June 2018.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim results of the Group for the Q2 and HY ended 30 June 2018 to be false and misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Datuk Jared Lim Chih Li
Managing Director
13 August 2018

Jaleeludeen Bin Abu Baker
Audit Committee Chairman
13 August 2018