

# spackmanentertainmentgroup

(Company Registration No.:201401201N)

## Unaudited Financial Statement and Dividend Announcement For the Three Months and the Nine Months Ended 30 September 2017

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Three Months Ended			Group Nine Months Ended		
	30 September 2017	30 September 2016	Change %	30 September 2017	30 September 2016	Change %
	(Unaudited) US\$'000	(Unaudited) US\$'000		(Unaudited) US\$'000	(Unaudited) US\$'000	
<b>Revenue</b>	1,754	2,701	(35)	12,218	10,290	19
Cost of sales	(1,120)	(2,581)	(57)	(6,230)	(11,470)	(46)
Gross profit/(loss)	634	120	NM	5,988	(1,180)	NM
Other income	48	2,857	(98)	3,324	4,471	(26)
Selling expenses	(191)	(103)	85	(458)	(297)	54
General and administrative expenses <sup>(1)</sup>	(1,446)	(1,005)	44	(3,952)	(3,745)	6
Finance costs	(27)	(26)	4	(68)	(111)	(39)
Other expenses <sup>(1)</sup>	(32)	(534)	(94)	(669)	(865)	(23)
Share of results of an associate	5	19	(74)	41	(354)	NM
<b>Profit/(Loss) before tax</b>	(1,009)	1,328	NM	4,206	(2,081)	NM
Tax (expense)/credit	168	118	42	(617)	187	NM
<b>Profit/(Loss) from continuing operations</b>	(841)	1,446	NM	3,589	(1,894)	NM
Loss from discontinued operation, net of tax	-	(212)	NM	-	(378)	NM
<b>Profit/(Loss) for the year</b>	(841)	1,234	NM	3,589	(2,272)	NM
<b>Other comprehensive income/(loss)</b>						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Share of other comprehensive income/(loss) of associated company	(12)	126	NM	67	(8)	NM
Currency translation difference arising from consolidation	(79)	574	NM	219	630	(65)
<b>Total comprehensive income/(loss) for the period</b>	(932)	1,934	NM	3,875	(1,650)	NM
<b>Profit/(Loss) for the period attributable to:</b>						
Equity holders of the company	(770)	1,468	NM	3,811	(1,987)	NM
Non-controlling interests	(71)	(234)	(70)	(222)	(285)	(22)
	(841)	1,234	NM	3,589	(2,272)	NM
<b>Total comprehensive Profit/(loss) for the period attributable to:</b>						
Equity holders of the Company	(861)	2,059	NM	4,059	(1,482)	NM
Non-controlling interests	(71)	(125)	(43)	(184)	(168)	10
	(932)	1,934	NM	3,875	(1,650)	NM

- (1) Certain expenses were incorporated within general and administrative expenses in three months and nine months ended 30 September 2017 and 30 September 2016. These expenses have been reclassified to other expenses, to more accurately reflect the underlying nature of those expenses. Such reclassification has no impact on the bottom line for the abovementioned periods of the Group.

NM – Not meaningful

## 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit/(Loss) from continuing operations for the period was stated after charging/(crediting) the followings:

	Three Months Ended			Nine Months Ended		
	30 September	30 September	Change	30 September	30 September	Change
	2017	2016		2017	2016	
(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%	
	US\$'000	US\$'000		US\$'000	US\$'000	
Personnel expenses	608	521	17	1,734	2,137	(19)
Rent expense	299	204	47	811	664	22
Travel expense	48	20	NM	130	105	24
Entertainment expense	100	54	85	216	110	96
Service expenses	209	143	46	655	598	10
Impairment loss on film production inventories	25	33	(24)	75	92	(18)
Depreciation and amortization	216	34	NM	527	100	NM
Reversal of allowance of doubtful receivables	-	9	NM	-	(58)	NM
Allowance for doubtful receivables	-	20	NM	-	63	NM
Profit on film distributable to external investor	-	11	NM	-	614	NM
Loss on film borne by external investors	-	(533)	NM	-	(1,810)	NM
Reversal of loss on film borne by external investors	11	1	NM	364	26	NM
Gain on disposal of subsidiaries	-	(2,131)	NM	-	(2,131)	NM
Gain on disposal of associate	-	-	NM	(2,985)	-	NM
Interest expense	27	26	4	68	111	(39)
Interest income	(36)	(24)	50	(58)	(63)	(8)
Foreign exchange loss/(gain), net	46	(109)	NM	(88)	(148)	(41)

NM – Not meaningful

Loss from discontinued operations for the period was stated after charging/(crediting) the followings:

	Three Months Ended			Nine Months Ended		
	30 September	30 September	Change	30 September	30 September	Change
	2017	2016		2017	2016	
(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%	
	US\$'000	US\$'000		US\$'000	US\$'000	
Personnel expenses	-	2	NM	-	145	NM
Rent expense	-	-	NM	-	1	NM
Service expenses	-	-	NM	-	56	NM
Depreciation and amortization	-	-	NM	-	7	NM
Reversal of allowance of doubtful receivables	-	(128)	NM	-	(128)	NM
Interest expense/(income)	-	2	NM	-	(1)	NM
Foreign exchange loss, net	-	-	NM	-	3	NM

NM – Not meaningful

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

	Group		Company	
	30 September 2017 (Unaudited) US\$'000	31 December 2016 (Audited) US\$'000	30 September 2017 (Unaudited) US\$'000	31 December 2016 (Audited) US\$'000
<b>Assets</b>				
Investment in subsidiaries	-	-	20,413	16,245
Investment in associated company	6,321	3,433	6,012	3,298
Property, plant and equipment	5,874	3,080	11	12
Intangible assets	4,343	937	-	-
Film production inventories	711	355	-	-
Long-term trade and other receivables	479	-	-	-
Deferred tax assets	70	123	-	-
<b>Non-current assets</b>	<b>17,798</b>	<b>7,928</b>	<b>26,436</b>	<b>19,555</b>
Film production inventories	-	69	-	-
Inventories	8	5	-	-
Investments	4,881	4,457	460	-
Loan to subsidiaries	-	-	83	429
Trade and other receivables	7,446	3,615	1,595	399
Cash and cash equivalents	6,804	5,936	1,376	470
<b>Current assets</b>	<b>19,139</b>	<b>14,082</b>	<b>3,514</b>	<b>1,298</b>
<b>Total assets</b>	<b>36,937</b>	<b>22,010</b>	<b>29,950</b>	<b>20,853</b>
<b>Liabilities</b>				
Borrowings	2,442	1,903	-	-
Long-term finance lease liabilities	564	-	-	-
Other non-current liabilities	69	136	-	-
Deferred tax liabilities	237	35	-	-
<b>Non-current liabilities</b>	<b>3,312</b>	<b>2,074</b>	<b>-</b>	<b>-</b>
Trade and other payables	3,197	3,013	-	181
Film obligation and production loans	2,584	912	-	-
Deferred revenue	2,601	2,649	-	-
Finance lease liabilities	415	-	-	-
Tax payables	579	153	-	-
<b>Current liabilities</b>	<b>9,376</b>	<b>6,727</b>	<b>-</b>	<b>181</b>
<b>Total liabilities</b>	<b>12,688</b>	<b>8,801</b>	<b>-</b>	<b>181</b>
<b>Net assets</b>	<b>24,249</b>	<b>13,209</b>	<b>29,950</b>	<b>20,672</b>
<b>Share capital and reserves</b>				
Share capital	32,313	25,019	32,313	25,019
Treasury shares	(134)	-	(134)	-
Other reserves	(3,133)	(3,386)	-	-
Accumulated losses	(5,261)	(9,072)	(2,229)	(4,347)
Equity attributable to equity holders of the Company, total	23,785	12,561	29,950	20,672
Non-controlling interests	464	648	-	-
<b>Total equity</b>	<b>24,249</b>	<b>13,209</b>	<b>29,950</b>	<b>20,672</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

<b>As at 30 September 2017 (Unaudited)</b>		<b>As at 31 December 2016 (Audited)</b>	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
-	-	-	-

**Amount repayable after one year**

<b>As at 30 September 2017 (Unaudited)</b>		<b>As at 31 December 2016 (Audited)</b>	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
2,442	-	1,903	-

**Details of any collateral**

The Group's long-term borrowing of US\$2,005,756 is secured over land and a building with carrying amounts of US\$2,974,329 (31 December 2016: US\$2,870,471) and the remaining long-term borrowings of US\$436,034 is secured over a personal guarantee by a subsidiary's chief executive officer.

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

**Consolidated Statement of Cash Flows**

	Group			
	3 Months Ended		9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000
<b>Operating activities</b>				
Profit/(Loss) before income tax from continuing operations	(1,009)	1,328	4,206	(2,081)
Loss before income tax from discontinued operation	-	(212)	-	(378)
Adjustments for:				
Depreciation and amortization	216	34	527	107
Interest income	(36)	(22)	(58)	(64)
Interest expense	27	26	68	111
Reversal of allowance of doubtful receivables	-	(99)	-	(123)
Impairment loss on film production inventories	25	33	75	92
Impairment loss on investment in theatrical film projects	-	(469)	-	-
Share of results of associated company	(5)	(19)	(41)	354
Gain on disposal of subsidiary	-	(2,131)	-	(2,131)
Gain on disposal of associate	-	-	(2,985)	-
Loss/(Gain) on short term investments	-	8	-	(19)
Loss/(Gain) on valuation of financial instrument	(10)	16	(20)	16
Loss on disposition of investments	1	-	188	-
Loss on film borne by external investors	-	(87)	-	(1,810)
Reversal of loss on film borne by external investors	11	-	364	-
Loss on disposal of property, plant and equipment	-	32	-	33
<b>Operating profit/(loss) before working capital changes</b>	<b>(780)</b>	<b>(1,562)</b>	<b>2,324</b>	<b>(5,893)</b>
<b>Working capital changes</b>				
Inventories	2	(41)	(3)	(40)
Film production inventories	23	(2,293)	(314)	(4,227)
Receivables	(42)	5,245	(179)	27,032
Payables	(199)	(1,466)	(2,465)	(20,600)
Currency translation adjustments	58	(103)	(38)	(95)
Cash used in operations	(938)	(220)	(675)	(3,823)
Interest received	8	6	17	67
Income tax paid	(141)	26	(272)	(270)
<b>Net cash used in operating activities</b>	<b>(1,071)</b>	<b>(188)</b>	<b>(930)</b>	<b>(4,026)</b>
<b>Investing activities</b>				
Short term loans granted	(1,259)	-	(2,321)	(540)
Collection of short term loans	307	77	456	335
Purchases of property, plant and equipment	(196)	(52)	(523)	(192)
Proceeds from disposal of property, plant and equipment	-	1	-	69
Purchases of intangible assets	-	(2)	-	(7)
Acquisition of associated company	-	-	(114)	-
Additional acquisition of subsidiary shares	(44)	-	(44)	-
Disposal of subsidiaries	-	1,001	-	1,001
Purchases of short term investments	(263)	(16)	(264)	(898)
Proceeds from disposal of short term investments	880	2	880	107

	Group			
	3 Months Ended		9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000
Purchases of long term investments	(13)	(22)	(39)	(38)
Proceeds from disposal of long term investments	-	1	-	60
Acquisition of investment in securities	(898)	(4)	(1,255)	(224)
Disposal of Investment in securities	18	612	229	2,119
Acquisition of investments in project	(142)	(1)	(2,139)	(103)
Disposal of investments in project	91	2	879	86
Decrease of leasehold deposit	92	69	92	258
Increase of leasehold deposit	-	(137)	(84)	(159)
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,427)</b>	<b>1,531</b>	<b>(4,247)</b>	<b>1,874</b>
<b>Financing activities</b>				
Repayment of borrowings	(423)	(796)	(571)	(2,634)
Proceeds from borrowings	727	15	993	955
Payment of box office proceeds to investors	(1)	-	(309)	-
Proceeds from film obligations and production loans	94	149	1,932	3,659
Repayment of film obligations and production loans	(1)	(86)	(263)	(1,440)
Additional leasehold deposits received	-	2	-	86
Decrease in finance lease liabilities	(198)	-	(325)	-
Increase in finance lease liabilities	-	-	280	-
Issuance of shares	-	-	4,257	-
Treasury shares	(134)	-	(134)	-
Interest paid	(28)	(16)	(82)	(129)
<b>Net cash generated from/(used in) financing activities</b>	<b>36</b>	<b>(732)</b>	<b>5,778</b>	<b>497</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,462)</b>	<b>611</b>	<b>601</b>	<b>(1,655)</b>
Cash and cash equivalents at beginning of financial period	9,295	3,586	5,936	5,949
Effect of exchange rate changes	(29)	352	218	255
Cash generated from the acquisition of subsidiary	-	(81)	49	(81)
<b>Cash and cash equivalents at end of the financial period</b>	<b>6,804</b>	<b>4,468</b>	<b>6,804</b>	<b>4,468</b>
<b>Cash and cash equivalents comprise:</b>				
Continuing operations:				
Cash and bank balances	4,986	4,335	4,986	4,335
Money market funds	1,818	52	1,818	52
	<b>6,804</b>	<b>4,387</b>	<b>6,804</b>	<b>4,387</b>
<b>Cash and cash equivalents comprise:</b>				
Discontinued operation:				
Cash and bank balances	-	81	-	81
Money market funds	-	-	-	-
	<b>-</b>	<b>81</b>	<b>-</b>	<b>81</b>

**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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity**

Group (unaudited)	Share capital	Treasury shares	Other reserve	Accumulated losses	Reserve of disposal group classified as held for sale	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 July 2017</b>	32,313	-	(3,042)	(4,491)	-	24,780	535	25,315
Purchase of treasury shares	-	(134)	-	-	-	(134)	-	(134)
Loss for the period	-	-	-	(770)	-	(770)	(71)	(841)
<i>Other comprehensive profit for the period</i>								
Share of other comprehensive loss of associated company	-	-	(12)	-	-	(12)	-	(12)
Currency translation difference on consolidation	-	-	(79)	-	-	(79)	-	(79)
	-	(134)	(91)	(770)	-	(995)	(71)	(1,066)
<b>Balance as at 30 September 2017</b>	<b>32,313</b>	<b>(134)</b>	<b>(3,133)</b>	<b>(5,261)</b>	<b>-</b>	<b>23,785</b>	<b>464</b>	<b>24,249</b>
<b>Balance as at 1 July 2016</b>	25,019	-	(3,108)	(10,103)	(137)	11,671	1,587	13,258
Loss for the period	-	-	-	1,468	-	1,468	(234)	1,234
<i>Other comprehensive profit for the period</i>								
Disposal of a subsidiary	-	-	126	-	-	126	-	126
Share of other comprehensive loss of associated company	-	-	(202)	-	202	-	(831)	(831)
Currency translation difference on consolidation	-	-	139	-	-	139	-	139
	-	-	325	-	-	325	108	433
	-	-	388	1,468	202	2,058	(957)	1,101
Reserve attributable to disposal group classified as held for sale	-	-	65	-	(65)	-	-	-
<b>Balance as at 30 September 2016</b>	<b>25,019</b>	<b>-</b>	<b>(2,655)</b>	<b>(8,635)</b>	<b>-</b>	<b>13,729</b>	<b>630</b>	<b>14,359</b>

## Statement of Changes in Equity

Company (unaudited)	Share capital	Treasury shares	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 July 2017</b>	32,313	-	(1,908)	30,405
Purchase of treasury shares	-	(134)	-	(134)
Loss for the period	-	-	(321)	(321)
<b>Balance as at 30 September 2017</b>	<b>32,313</b>	<b>(134)</b>	<b>(2,229)</b>	<b>29,950</b>
<b>Balance as at 1 July 2016</b>	25,019	-	(4,384)	20,635
Loss for the period	-	-	(406)	(406)
<b>Balance as at 30 September 2016</b>	<b>25,019</b>	<b>-</b>	<b>(4,790)</b>	<b>20,229</b>

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<b>Share Capital – Ordinary shares</b>	<b>Number of shares</b>	<b>Issued and paid-up share capital</b>
<b>Balance as at 1 July 2017</b>	463,031,700	US\$32,313,140
<b>Number of shares purchased<sup>(1)</sup></b>	1,699,100	US\$134,041
<b>Balance as at 30 September 2017</b>	461,332,600	US\$32,179,099

Note:

(1) The Company purchased an aggregate of 1,699,100 shares between 1 July 2017 and 30 September 2017. Such shares were held as treasury shares and represent 0.37% of the total number of outstanding shares in issue (excluding treasury shares) as at 30 September 2017. There were no treasury shares as at 30 September 2016.

The Company did not have any outstanding options or convertibles as at 30 September 2017 and 30 September 2016. There were also no subsidiary holdings as at 30 September 2017 and 30 September 2016.

**(iii) To show 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**

	<b>As at 30 September 2017</b>	<b>As at 31 December 2016</b>
<b>Total number of issued shares excluding treasury shares</b>	461,332,600	398,770,209

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

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There are no subsidiary holdings during and as at end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable as the figures have not been audited nor 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**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited annual financial statements for the financial year ended 31 December 2016 ("FY2016").

**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 change**

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial period compared with the audited financial statements for FY2016, except for the adoption of the Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting 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**

	Group		Group	
	3 months ended		9 months ended	
(Loss)/Earnings per share (“(LPS)/EPS”)	30 September 2017	30 September 2016	30 September 2017	30 September 2016
(Loss)/Profit attributable to shareholders of the Company (US\$)	(770,498)	1,468,483	3,810,558	(1,986,711)
Weighted average number of ordinary shares in issue	462,281,626	398,770,209	443,947,722	398,770,209
Basic and fully diluted basis (LPS)/EPS (US cents) <sup>(1) (2)</sup>	(0.17)	0.37	0.86	(0.50)
Adjusted (LPS)/EPS (US cents)	(0.17) <sup>(3)</sup>	0.37	0.83 <sup>(3)</sup>	(0.50)

Notes:

- (1) The basic and fully diluted basic (LPS)/EPS of the Group for the respective periods was calculated based on the weighted average number of ordinary shares in issue for the respective periods (excluding treasury shares).
- (2) The basic and fully diluted basic (LPS)/EPS are the same as there were no potentially dilutive ordinary shares in existence during the respective periods.
- (3) For comparative purposes, the adjusted (LPS)/EPS of the Group for period ended 30 September 2017 was calculated based on 461,332,600 ordinary shares in issue (excluding treasury shares).

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**  
**(a) Current financial period reported on; and**  
**(b) Immediately preceding financial year**

	Group		Company	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Net asset value (US\$)	24,248,884	13,208,621	29,950,208	20,671,704
Number of ordinary shares in issue (excluding treasury shares)	461,332,600	398,770,209	461,332,600	398,770,209
Net asset value per ordinary share (US\$)	0.053	0.033	0.065	0.052

**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:-**

- (a) 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; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## Consolidated Statement of Comprehensive Income

### Revenue

#### Nine months ended 30 September 2017 ("9M 2017") vs Nine months ended 30 September 2016 ("9M 2016")

The breakdown of revenue in 9M 2017 and 9M 2016 is as follows:

Source of revenue	Group	
	9M 2017 (Unaudited) US\$ million	9M 2016 (Unaudited) US\$ million
Production of films	5.35	6.93
Distribution of films and others (*)	5.15	2.87
Leasing of equipment	1.15	-
Restaurant sales and café lounge business	0.45	0.34
Photography	0.12	0.12
Production of documentaries	-	0.03
<b>Total</b>	<b>12.22</b>	<b>10.29</b>

(\*) Revenue from distribution of films and others is recognized upon the settlement of the proceeds (i.e., payments of taxes on tickets, other charges and fees, and deductions by movie theatres and theatre circuits of their respective share of the box office sales) from the box office and the ancillary market.

Revenue increased by 19% year-on-year ("YoY") to US\$12.22 million in 9M 2017, mainly due to the following:

- (i) an increase of US\$2.28 million from distribution of films and others mainly due to the recognition of the share of profit for acting as the producer for *MASTER* offset by a decrease in distribution of motion films mainly as a result of the disposal of Opus Pictures Limited Liability Company ("**Opus Pictures**");
- (ii) an increase of US\$1.15 million from leasing of equipment to third parties by Frame Pictures Co., Ltd. ("**Frame Pictures**") which was acquired on 31 March 2017; and
- (iii) partially offset by a decrease of US\$1.58 million from production of films as the percentage-of-completion for *GOLDEN SLUMBER* in 9M 2017 was lower as compared to that for *MASTER* in 9M 2016.

#### Three months ended 30 September 2017 ("Q3 2017") vs Three months ended 30 September 2016 ("Q3 2016")

The breakdown of revenue in Q3 2017 and Q3 2016 is as follows:

Source of revenue	Group	
	Q3 2017 (Unaudited) US\$ million	Q3 2016 (Unaudited) US\$ million
Production of films	0.32	2.17
Distribution of films and others (*)	0.41	0.34
Leasing of equipment	0.82	-
Restaurant sales and café lounge business	0.15	0.13
Photography	0.05	0.04
Production of documentaries	-	0.02
<b>Total</b>	<b>1.75</b>	<b>2.70</b>

(\*) Revenue from distribution of films and others is recognized upon the settlement of the proceeds (i.e., payments of taxes on tickets, other charges and fees, and deductions by movie theatres and theatre circuits of their respective share of the box office sales) from the box office and the ancillary market.

Revenue decreased by 35% YoY to US\$1.75 million in Q3 2017, mainly due to the following:

- (i) a decrease of US\$1.85 million from production of films as the percentage-of-completion for *GOLDEN SLUMBER* in Q3 2017 was lower as compared to that for *MASTER* in Q3 2016; and
- (ii) partially offset by an increase of US\$0.82 million from leasing of equipment to third parties by Frame Pictures.

## Cost of sales

### 9M 2017 vs 9M 2016

The breakdown of cost of sales in 9M 2017 and 9M 2016 is as follows:

	Group	
	9M 2017 (Unaudited) US\$ million	9M 2016 (Unaudited) US\$ million
<b>Cost of sales</b>		
Production of films	5.10	6.57
Distribution of films and others (*)	0.96	4.78
Leasing of equipment	0.03	-
Restaurant sales and café lounge business	0.14	0.11
Production of documentaries	-	0.01
<b>Total</b>	<b>6.23</b>	<b>11.47</b>

(\*) Cost of sales from distribution of films and others is recognized upon the settlement of the proceeds (i.e., payments of taxes on tickets, other charges and fees, and deductions by movie theatres and theatre circuits of their respective share of the box office sales) from the box office and the ancillary market.

Cost of sales decreased by 46% YoY to US\$6.23 million in 9M 2017, mainly attributable to the following:

- (i) a decrease of US\$3.82 million from distribution of films and others due to fewer motion films distributed by the Group in 9M 2017; and
- (ii) a decrease of US\$1.47 million from production of films due to lower production costs incurred in 9M 2017 for *GOLDEN SLUMBER* as compared to the production costs that were incurred in 9M 2016 for *MASTER*, based on the percentage-of-completion method.

### Q3 2017 vs Q3 2016

The breakdown of cost of sales in Q3 2017 and Q3 2016 is as follows:

	Group	
	Q3 2017 (Unaudited) US\$ million	Q3 2016 (Unaudited) US\$ million
<b>Cost of sales</b>		
Production of films	0.29	2.07
Distribution of films and others (*)	0.74	0.47
Leasing of equipment	0.03	-
Restaurant sales and café lounge business	0.06	0.04
<b>Total</b>	<b>1.12</b>	<b>2.58</b>

(\*) Cost of sales from distribution of films and others is recognized upon the settlement of the proceeds (i.e., payments of taxes on tickets, other charges and fees, and deductions by movie theatres and theatre circuits of their respective share of the box office sales) from the box office and the ancillary market.

Cost of sales decreased by 57% YoY to US\$1.12 million in Q3 2017, mainly due to the following:

- (i) a decrease of US\$1.78 million from production of films in line with the decrease in the Group's revenue from production of films in Q3 2017; and
- (ii) partially offset by an increase of US\$0.27 million from distribution of films and others due to several motion films distributed by the Group in Q3 2017.

### **Gross profit/(loss)**

#### **9M 2017 vs 9M 2016**

The Group recorded a gross profit of US\$5.99 million in 9M 2017 as compared to a gross loss of US\$1.18 million in 9M 2016. The reversal from a gross loss margin of 11% recorded in 9M 2016 to a gross profit margin of 49% in 9M 2017 was mainly due to recognition of share of profit for acting as the producer for *MASTER* of US\$3.98 million and return of investment as a passive investor for *MASTER* of US\$0.20 million in 9M 2017. Newly acquired wholly owned subsidiary, Frame Pictures contributed a total of US\$1.12 million to the gross profit in 9M 2017. The Group had also disposed of the loss-making asset, Opus Pictures, on 12 August 2016 and its 9M 2017 financial performance was not affected by Opus Pictures (9M 2016: gross loss of US\$1.91 million from distribution of films was primarily attributable to Opus Pictures).

#### **Q3 2017 vs Q3 2016**

The Group recorded a gross profit of US\$0.63 million in Q3 2017 as compared to a gross profit of US\$0.12 million in Q3 2016. Gross profit margin had improved from 4% in 9M 2016 to 36% in 9M 2017. The improved gross profit margin was mainly due to recognition of share of profit for acting as the producer for *MASTER* of US\$0.21 million and return of investment as a passive investor for *MASTER* of US\$0.01 million in Q3 2017. In addition, Frame Pictures contributed a total of US\$0.79 million to the gross profit in Q3 2017. This was partially offset with a gross loss of US\$0.55 million from distribution of films.

### **Other income**

#### **9M 2017 vs 9M 2016**

Other income decreased by 26% YoY to US\$3.32 million in 9M 2017, mainly because there was an absence of non-recurring gain of US\$2.13 million in 9M 2016 in relation to the gain on disposal of subsidiaries, Opus Pictures and UAA Korea Co. Ltd, and the absence of loss on film borne by external investors which amounted to US\$1.81 million in 9M 2016. This was partially offset by a gain of US\$2.99 million in 9M 2017 on partial disposal of 497,250 shares of the Company's associated company, Spackman Media Group Limited ("**SMGL**").

#### **Q3 2017 vs Q3 2016**

Other income decreased by 98% YoY to US\$0.05 million in Q3 2017, mainly because there was an absence of non-recurring gain on disposal of subsidiaries and the loss on film borne by external investors as explained above.

### **General and administrative expenses**

#### **9M 2017 vs 9M 2016**

There was no significant change in general and administrative expenses.

### **Q3 2017 vs Q3 2016**

General and administrative expenses increased by 44% YoY to US\$1.45 million in Q3 2017 mainly due to the acquisition of Frame Pictures which resulted in an increase in depreciation and amortization, service fee and rental expenses.

### **Other expenses**

#### **9M 2017 vs 9M 2016**

Other expenses decreased by 23% YoY to US\$0.67 million in 9M 2017, mainly because there was an absence of expenses incurred in relation to the profit on film distributable to external investors in 9M 2017.

#### **Q3 2017 vs Q3 2016**

Other expenses decreased by 94% YoY to US\$0.03 million in Q3 2017, mainly due to same reasons as explained above.

### **Share of results of associate**

#### **9M 2017 vs 9M 2016**

The share of results of associate of a profit of US\$0.04 million in 9M 2017 (9M 2016: a loss of US\$0.35 million) relates to the profit from SMGL. SMGL's profit in 9M 2017 was attributable to its talent management business while its losses incurred in 9M 2016 was mainly due to its variety show production, TV/media commercials and music video production businesses which had been disposed of in July 2016.

#### **Q3 2017 vs Q3 2016**

There was no significant change in share of results of associate of a profit.

### **Tax (expenses)/credit**

#### **9M 2017 vs 9M 2016**

The Group recorded tax expense of US\$0.62 million in 9M 2017 (9M 2016: tax credit of US\$0.19 million) mainly due to taxable earnings generated by ZIP Cinema Co., Ltd. ("ZIP Cinema") and Frame Pictures.

#### **Q3 2017 vs Q3 2016**

There was no significant change in tax credit.

### **Profit/(Loss) before tax**

#### **9M 2017 vs 9M 2016**

As a result of the above, the Group recorded a profit before tax of US\$4.21 million in 9M 2017 as compared to a loss before tax of US\$2.08 million in 9M 2016.

### **Q3 2017 vs Q3 2016**

As a result of the above, the Group recorded a loss before tax of US\$1.01 million in Q3 2017 as compared to a profit before tax of US\$1.33 million in Q3 2016.

### **Discontinued operation**

On 19 April 2016, Spackman Entertainment Group (HK) Limited, a direct wholly-owned subsidiary of the Company and Spackman Equities Limited, an indirect wholly-owned subsidiary of the Company entered into a conditional share sale and purchase agreement with Tae Hun Lee (the “**Purchaser**”), the former Executive Director and Chief Executive Officer of the Company for the sale of the Group’s 100% equity interest in Opus Pictures and 51.50% equity interest in UAA Korea to the Purchaser (the “**Restructuring**”).

Based on the Restructuring, the statement of profit or loss and other comprehensive income of UAA Korea was classified as a single amount, loss from discontinued operation, of US\$0.38 million in 9M 2016 and US\$0.21 million in Q3 2016.

The Restructuring has been completed the same day after receiving shareholder’s approval at the extraordinary general meeting of the Company held on 12 August 2016.

## Consolidated Statement of Financial Position

### **Non-current assets**

The Group's non-current assets amounted to US\$17.80 million as at 30 September 2017. The increase in non-current assets from US\$7.93 million as at 31 December 2016 was mainly due to:

- i) Increase in investment in associated company of US\$2.89 million mainly due to additional acquisition of 1 million shares in SMGL at a consideration of US\$3.04 million, partially offset by the subsequent disposal of 497,250 shares in SMGL of US\$0.38 million as part of the purchase consideration for the acquisition of Frame Pictures and gain from SMGL of US\$0.04 million. In addition, ZIP Cinema invested in Project G Inc. ("Project G") of US\$0.12 million, equivalent to 32.5% shareholding interest. Project G is a film development house incorporated in Republic of Korea;
- ii) Increase in property, plant and equipment of US\$2.79 million mainly attributable to Frame Pictures, which contributed US\$2.66 million;
- iii) Increase in intangible assets of US\$3.41 million mainly attributable to goodwill of US\$2.20 million and intangible assets of US\$0.92 million arising from the acquisition of Frame Pictures;
- iv) Increase in film production inventories of US\$0.36 million mainly related to several movies in the development stage; and
- v) Increase in long-term trade and other receivables of US\$0.48 million mainly attributable to Frame Pictures, which contributed US\$0.47 million.

### **Current assets**

The Group's current assets amounted to US\$19.14 million as at 30 September 2017. The increase in current assets from US\$14.08 million as at 31 December 2016 was mainly due to:

- i) Increase in investments of US\$0.42 million mainly attributable to investment of US\$1.01 million for theatrical projects, investment in Skin Inc Global Pte. Ltd ("Skin Inc"), a Singapore-based, leading customizable skincare brand of US\$0.36 million, investment in Nunsongyee, a Korean Dessert Café chain in Singapore of US\$0.10 million, and partially offset by a decrease in investment in short term fund investment of US\$1.11 million;
- ii) Increase in trade and other receivables of US\$3.83 million mainly attributable to increase in loans receivables of US\$2.02 million mainly in relation to short term loan to Spackman Media Group Pte. Ltd., increase in advance payment of US\$0.62 million related to production of film, increase in prepayment of US\$0.77 million in relation to the purchase of distribution rights of films, the acquisition of Frame Pictures contributed additional US\$0.56 million to trade and other receivables, additional short term investment undertaken by ZIP Cinema of US\$0.26 million; and partially offset with a decrease of US\$0.56 million in trade receivables mainly as a result of a collection of receivables.
- iii) Increase in cash and cash equivalents of US\$0.87 million, mainly due to the reasons as explained under the discussion for the "Consolidated Statement of Cash Flow" below.

### **Non-current liabilities**

The Group's non-current liabilities amounted to US\$3.31 million as at 30 September 2017, an increase of US\$1.24 million as compared to US\$2.07 million as at 31 December 2016, mainly due to:

- i) Finance lease liabilities of US\$0.56 million solely due to the acquisition of Frame Pictures;
- ii) Increase in borrowings of US\$0.54 million mainly contributed by the acquisition of Frame Pictures of US\$0.44 million. The remaining US\$0.10 million was due to adverse exchange rate effects on existing borrowings, and
- iii) Increase in deferred tax liabilities of US\$0.20 million mainly contributed by the acquisition of Frame Pictures.

### **Current liabilities**

The Group's current liabilities amounted to US\$9.38 million as at 30 September 2017. The increase in current liabilities from US\$6.73 million as at 31 December 2016 was mainly due to:

- i) Increase in film obligation and production loans of US\$1.67 million related to advances, which were received from investors for *GOLDEN SLUMBER* of US\$1.93 million, and partially offset by US\$0.26 million due to the repayments to investors of *MASTER*;
- ii) Increase in tax payables of US\$0.43 million mainly due to increase in chargeable income from ZIP Cinema in 9M 2017; and
- iii) Increase in finance lease liabilities of US\$0.42 million solely due to the acquisition of Frame Pictures.

## Consolidated Statement of Cash Flow

As at 30 September 2017, the Group had cash and cash equivalents amounting to US\$6.80 million as compared to cash and cash equivalents amounting to US\$4.47 million as at 30 September 2016.

The significant cash movements during Q3 2017 as compared to Q3 2016 can be summarised as follows:

Cash flow used in operating activities for Q3 2017 amounted to US\$1.07 million as compared to cash used in operating activities of US\$0.19 million for Q3 2016. The cash flow used in operating activities for Q3 2017 was mainly due to net working capital outflows of US\$0.94 million mainly resulting from a decrease in payables of US\$0.20 million, and operating loss before working capital changes of US\$0.78 million.

Cash flow used in investing activities for Q3 2017 was US\$1.43 million as compared to cash flow generated from investing activities of US\$1.53 million for Q3 2016. The cash flow used in investing activities for Q3 2017 was mainly due to short-term loans granted of US\$1.26 million, cash used for acquisition of investments in securities of US\$0.90 million, purchase of short term investments of US\$0.26 million, partially offset by the proceeds from disposal of short term investments of US\$0.88 million.

Cash flow generated from financing activities was US\$0.04 million for Q3 2017 as compared to cash flow used in financing activities of US\$0.73 million for Q3 2016. The cash generated from financing activities in Q3 2017 was mainly due to proceeds from borrowings of US\$0.73 million which was mainly for down payment for leasing of equipment, offset by repayment of borrowings of US\$0.42 million and a decrease in finance lease liabilities of US\$0.20 million by Frame Pictures.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**10. Segment information**

The Group is organized into business units based on nature of the income for management purposes. The reportable segments are revenue from distribution of films and production of films.

Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

The segment information for continuing operations provided to management for the reportable segments are as follows:

	Distribution of films		Production of films		Leasing of equipment		Others		Total	
	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016
<b>In US\$' million</b>										
Revenue	5.15	2.87	5.35	6.93	1.15	-	0.57	0.49	12.22	10.29
Cost of sales	(0.96)	(4.78)	(5.10)	(6.57)	(0.03)	-	(0.14)	(0.12)	(6.23)	(11.47)
Loss on film borne by external investor	-	1.81	-	-	-	-	-	-	-	1.81
Profit on film distribution to investor	-	(0.61)	-	-	-	-	-	-	-	(0.61)
Reversal of loss on film borne by external investor	(0.36)	(0.03)	-	-	-	-	-	-	(0.36)	(0.03)
Impairment loss on film production inventories	-	-	(0.08)	(0.09)	-	-	-	-	(0.08)	(0.09)
Gain on disposal of subsidiaries	-	-	-	-	-	-	-	2.13	-	2.13
Gain on disposal of associated company	-	-	-	-	-	-	2.99	-	2.99	-
<b>Segment gross results</b>	<b>3.83</b>	<b>(0.74)</b>	<b>0.17</b>	<b>0.27</b>	<b>1.12</b>	<b>-</b>	<b>3.42</b>	<b>2.50</b>	<b>8.54</b>	<b>2.03</b>
Selling and general & administrative expenses	(1.64)	(1.10)	(1.69)	(2.65)	(0.37)	-	(0.18)	(0.19)	(3.88)	(3.94)
<b>Segment net results</b>	<b>2.19</b>	<b>(1.84)</b>	<b>(1.52)</b>	<b>(2.38)</b>	<b>0.75</b>	<b>-</b>	<b>3.24</b>	<b>2.31</b>	<b>4.66</b>	<b>(1.91)</b>
<b>Unallocated other income:</b>										
Other income									0.33	0.53
<b>Unallocated expenses:</b>										
Share of results of associate									0.04	(0.35)
Depreciation and amortization									(0.53)	(0.10)
Other expenses									(0.23)	(0.14)
Finance costs									(0.07)	(0.11)
<b>Profit/(loss) before tax</b>									<b>4.20</b>	<b>(2.08)</b>
Tax (expense)/credit									(0.61)	0.19
<b>Profit/(loss) for the period</b>									<b>3.59</b>	<b>(1.89)</b>
<b>Segment assets</b>	<b>2.35</b>	<b>1.39</b>	<b>2.44</b>	<b>3.35</b>	<b>0.53</b>	<b>-</b>	<b>0.25</b>	<b>0.24</b>	<b>5.57</b>	<b>4.98</b>
Unallocated assets									31.37	19.22
Total assets									36.94	24.20
<b>Segment liabilities</b>	<b>2.32</b>	<b>1.83</b>	<b>2.41</b>	<b>4.40</b>	<b>0.51</b>	<b>-</b>	<b>0.25</b>	<b>0.31</b>	<b>5.49</b>	<b>6.54</b>
Unallocated liabilities									7.20	3.30
Total liabilities									12.69	9.84

**11. A commentary at the date of the announcement of the significant trends and 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 period and the next 12 months.**

For the nine months of 2017, the South Korean film market remained relatively stable, reporting a 3.7% decrease in gross box office revenue to KRW 1.3 trillion (USD 1.1 billion) \* and a 3.4% year-on-year decrease in admissions to 161.3 million.

The Group's upcoming manhunt thriller movie, *GOLDEN SLUMBER*, starring Gang Dong-won and Han Hyo-joo, is based on the Japanese novel by Isaka Kotaro. *GOLDEN SLUMBER* is expected to be released during the golden box office slot of Chinese New Year 2018. The film is produced by Zip Cinema and distributed by CJ Entertainment. Gang Dong-won has previously collaborated with ZIP Cinema in several movie projects including *MASTER* (2016) and *THE PRIESTS* (2015). Han Hyo-joo has previously starred in one of ZIP Cinema's hit films, *COLD EYES* (2013). The estimated total production budget (including prints and advertising costs) for *GOLDEN SLUMBER* is tentatively set at KRW 10 billion (US\$8.7 million).

Following *GOLDEN SLUMBER*, ZIP Cinema will be producing a Korean financial crisis movie, *SOVEREIGN DEFAULT*. The film, also distributed by CJ Entertainment, shall commence filming at the end of 2017 or early 2018. The estimated total production budget (including prints and advertising costs) for *SOVEREIGN DEFAULT* is tentatively set at approximately KRW 9.7 billion (or US\$8.6 million).

The Group expects that both its wholly-owned subsidiaries, Studio Take Co., Ltd. ("**Studio Take**") and Frame Pictures, acquired during 9M 2017, are on track to deliver a healthy pipeline of quality projects that will strategically add accretive value to the Group going forward.

The Group has been preparing to enter into the Korean drama series production and is presently looking out for opportunities to foray into this business segment in order to capitalize on the rising popularity of Korean drama in Southeast Asia.

The Group is also currently in discussions to join as an investor for an upcoming film *NOW I WILL MEET YOU*, which is set to star top-tier Korean actors Son Ye-jin and So Ji Sub, who are both managed by SMGL. The Group will continue to seek more opportunities to collaborate with SMGL's artists in creating and participating in quality content projects. Presently, the Group is reviewing future acquisition opportunities and intends to reshape its business model to diversify revenue stream. The Group shall aggressively pursue new acquisitions that will help the Group post a more consistent revenue stream and be less reliant on the box office performance of its movies. The Group and its 29.12% associated company, SMGL, have been exploring collaboration with and discussing potential equity investment from certain potential strategic investors regarding transactions that may or may not involve the sale of a portion of the shares of SMGL owned by the Company. The Group will keep shareholders updated (by way of announcements on SGXNET) of material developments in any such discussions, as and when appropriate.

(Source: Korean Film Council, <http://www.kobis.or.kr/>, July 2017)

\*Exchange rate of 1 USD: 1127 KRW

**12. Dividend**

**(a) Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

No

**(b) Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

No

**(c) Date payable:**

Not applicable.

**(d) Books closure date:**

Not applicable.

**13. If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared or recommended for Q3 2017.

14. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
Eugene Lee (Executive Director and Chief Producer of the Company)	251,040 <sup>(1)</sup>	Not applicable

Note:

(1) Relates to a loan which was extended from the Company to Eugene Lee on 2 August 2017.

The Group has not obtained a general mandate from shareholders for interested person transactions.

#### 15. Use of Placement proceeds

The Company refers to the net proceeds amounting to S\$5.9 million raised from the placement of 38,100,000 new ordinary shares of the Company as announced on 2 March 2017 (the “Placement”).

The status on the use of the Placement proceeds as at the date of this announcement is as follows:

Use of proceeds	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
<u>70% of net proceeds to be used for:</u>			
<b>(A) New business investments and acquisitions</b>	4,156	(2,342) <sup>(1)</sup>	1,814
<u>30% of net proceeds to be used for:</u>			
<b>(B) General working capital</b>	1,781	(1,338) <sup>(2)</sup>	443
<b>Total</b>	<b>5,937</b>	<b>(3,680)</b>	<b>2,257</b>

Notes:

(1) Utilised for:

- Acquisition of Frame Pictures.
- Acquisition of Take Pictures Pte. Ltd.
- Acquisition of NSY Group Pte. Ltd., which owns Nunsongyee
- Acquisition of Skin Inc.

(2) Utilised for:

- Audit and professional fees (S\$409,600);
- Personnel expenses (S\$371,416);

- Rental expenses (S\$341,035); and
- Others (S\$215,825).

The above utilisation of the net proceeds is in accordance with the intended utilisation as announced previously.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

**17. Negative Confirmation by the Board Pursuant to Rule 705(5)**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3 months and 9 months financial periods ended 30 September 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Charles Choi Spackman

Executive Chairman

Date: 14 November 2017

---

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).