

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**ARBN 621 001 296**  
**SUPPLEMENTARY PROSPECTUS**

**IMPORTANT INFORMATION**

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements the prospectus dated 18 September 2017 (**Prospectus**) issued by Circle International Holdings Limited (ARBN 621 001 296) (**Company**). This Supplementary Prospectus is dated 8 November 2017 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus. This Supplementary Prospectus should be read together with the Prospectus.

The NSX takes no responsibility for the contents of this Supplementary Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at [www.circlecorpgroup.com](http://www.circlecorpgroup.com)

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

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**1. REASONS FOR SUPPLEMENTARY PROSPECTUS**

This Supplementary Prospectus has been prepared to:

- (a) provide investors with an amended Investigating Accountant's Report (**Amended Report**) which replaces the original report (**Original Report**) in its entirety; and
- (b) amend certain sections of the Prospectus as set out in Section 2.

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**2. AMENDMENTS TO THE PROSPECTUS**

The Prospectus is amended as follows:

**2.1 Investigating Accountant's Report**

The Original Report contained in Section 9 of the Prospectus is deleted and replaced in its entirety with the Amended Report attached to this Supplementary Prospectus. Details of material changes between the Amended Report and the Original Report are as follows:

- An increase in cost of sales and trade and other payables of \$666,538 in CCIL representing administrative support fees provided by CCSB in relation to the operation of CCIL in Hong Kong;
- An increase in transaction costs and directors' loans payable of \$136,596 reflecting estimated stamp duty payable on the transaction;

- Reclassification of \$750,605 of loans receivable to Prestige Holdings Pty Ltd as an addition to intangible assets as an advance payment for work to be completed on the Group's e-commerce system.

## 2.2 Indicative Timetable

The indicative timetable in Section 2 of the Prospectus is amended by deleting the dates following the Opening Date and replacing them with the following:

Completion of Acquisition of CCIL, CCMT and IMW	10 November 2017
Closing Date	15 November 2017
Issue of Shares and despatch of holding statements	18 November 2017
Expected date for quotation on NSX	28 November 2017

## 2.3 Service Renewal Agreement with Prestige Holding Pty Ltd

As disclosed in Section 6.6.2(d) of the Prospectus, CCIL has made a prepayment of approximately \$750,000 to an independent third-party technology and software developer developing the Company's eCommerce platform, Prestige Holding Pty Ltd (**Prestige**). Prestige and the Company are currently negotiating the service engagement letter in relation to this work which commenced in early 2017 and is expected to be substantially completed by 31 December 2017. At present, it is anticipated that up to an additional \$540,000 will be payable to Prestige for this work.

## 2.4 Group Loans

Section 10.5 of the Prospectus is amended by the addition of the following paragraph:

"IMW has borrowed approximately \$136,596 from Dato' Brian Tan, a Director, pursuant to an unsecured interest free loan. The proceeds of the loan will be put toward payment of Malaysian stamp duty in respect of the Acquisition. There is no fixed term of repayment in respect of this loan."

## 2.5 Expenses of the Offer

Section 11.7 of the Prospectus is deleted and replaced in its entirety with the following:

The total expenses of the Offer (excluding GST) are estimated to be approximately \$304,655 and are expected to be applied towards the items set out in the table below:

<b>Item of Expenditure</b>	<b>(\$)</b>
ASIC fees	2,400
NSX fees	92,259
Steinepreis Paganin Legal Fees	100,000
Adviser as to Hong Kong Law Fees	3,564
Adviser as to Malaysian Law Fees	46,215
Adviser as to Cayman Islands Law Fees	22,217
Investigating Accountant's Fees	38,000
<b>TOTAL</b>	<b>304,655</b>

## **2.6 Consent**

HLB Mann Judd has given its written consent to being named as Investigating Accountant in this Supplementary Prospectus and the inclusion of the Amended Report in this Supplementary Prospectus in the form and context in which the report is included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Supplementary Prospectus with the ASIC.

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## **3. DIRECTORS' AUTHORISATION**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

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**Dato' Brian Tan**  
**Managing Director and CEO**  
**For and on behalf of**  
**CIRCLE INTERNATIONAL HOLDINGS LIMITED**



Accountants | Business and Financial Advisers

6 November 2017

The Directors  
Circle International Holdings Limited  
Unit D-9-3, Block D, Setiawalk  
Persiaran Wawasan  
Pusat Bandar Puchong, 47160 Puchong  
Selangor Darul Ehsan, Malaysia

Dear Sirs

## **INVESTIGATING ACCOUNTANT'S REPORT - CIRCLE INTERNATIONAL HOLDINGS LIMITED**

### **Introduction**

This Investigating Accountant's Report ("Report") has been prepared for inclusion within a supplementary prospectus ("Supplementary Prospectus") to be dated on or about 7 November 2017 which supplements the prospectus ("Prospectus") dated 18 September 2017 for the compliance listing of Circle International Holdings Limited ("CIHL" or the "Company") on the National Stock Exchange of Australia Limited ("NSX"). The Prospectus includes an offer of 10,000 fully paid ordinary shares ("Shares") at an issue price of \$0.315 each to raise \$3,150.

This Report replaces the Investigating Accountant's Report included in the Prospectus which was issued to facilitate the secondary trading of shares previously issued by the Company and to ensure compliance with the admission requirements of the NSX.

All amounts unless indicated otherwise are expressed in Australian dollars.

### **Structure of Report**

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

#### **HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  HLB International, a world-wide organisation of accounting firms and business advisers

## 1. Background Information

The Company is a Cayman Islands company and was incorporated on 12 December 2016 for the purpose of acquiring the entire issued share capital of Circle Corporation International Limited, ("CCIL"), Circle Corporation Mediatech Sdn Bhd ("CCMT") and Inno Mind Works Sdn Bhd ("IMW").

CCIL was incorporated in Hong Kong on 7 May 2015. CCMT was incorporated in Malaysia on 22 August 2014 and was acquired by CCSB as a dormant company on 25 January 2017. IMW is incorporated in Malaysia and was acquired by CCSB on 3 January 2017. The companies to be acquired are focused on the new media technology industry.

CCIL, CCMT and IMW (collectively referred to as "Circle Group" or "Group") are currently wholly owned subsidiaries of Circle Corp Sdn Bhd ("CCSB"), a company incorporated in Malaysia.

CCIL is the international marketing and business development arm within the Circle Group. Its principal activities are to secure digital media and conventional media sales from the key overseas markets of Taiwan, Hong Kong and China. CCMT is the local operating arm of the Group, managing its two proprietary brands, the Business Circle mobile app and Worldwide Excellence Award. IMW is a digital branding and marketing agency whose expertise covers digital advertising and marketing solutions ranging from content conceptualisation and creation to media planning and buying, and other related services.

The Company has entered into three separate acquisition agreements with CCSB to acquire the entire issued share capital of each of CCIL, CCMT and IMW in consideration for an issue of an aggregate of 180,000,000 fully paid ordinary shares ("Consideration Shares") in the Company to CCSB. Completion under the acquisition agreements is conditional upon the NSX granting conditional approval for the Company to be admitted to the Official List of NSX.

CCSB will then distribute and transfer certain of the Consideration Shares in specie to CCSB's shareholders on a pro-rata basis to their shareholdings in CCSB ("In-specie Distribution"). The In-specie Distribution is also conditional upon the NSX granting conditional approval for the Company to be admitted to the Official List of NSX. The balance of the Consideration Shares will be transferred to Directors of the Company and to associates and related parties of the Company for free.

As at 31 December 2016, the issued share capital of the Company was 100 ordinary fully paid shares. This was subject to a share split subsequent to year end which resulted in 400 ordinary fully paid shares. There have been no share issues by the Company subsequent to 31 December 2016 and to the date of this Report.

The Company's main objectives on completion of the Offer are set out in Section 6.7 of the Prospectus.

## 2. *Scope of Report*

You have requested HLB Mann Judd (“HLB”) to prepare this Report presenting the following information:

- a) the historical reviewed financial information of CIHL, comprising the historical Statement of Financial Position as at 31 December 2016 and the historical Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended as set out in Appendix 1 to this Report; and
- b) the proforma consolidated financial information of the Company, comprising the proforma consolidated Statement of Financial Position as at 31 December 2016 and the proforma consolidated Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended.

For accounting purposes, the acquisition of CCIL, CCMT and IMW by the Company is a transaction under common control. A common control transaction is defined in accounting standards as one in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory. Whilst there is no specific guidance in International Financial Reporting Standards (“IFRS”) on accounting for common control transactions, in practice such transactions are accounted for under book value accounting (alternatively known as predecessor accounting) with the assets acquired and liabilities assumed being recognised at their book values.

As there is no change in ultimate control of the Circle Group entities, no goodwill is created as a result of the transaction. Any excess of consideration paid over the pre-acquisition equity of the acquirees is recorded within a merger reserve.

The historical financial information presented in this Report is the historical financial information of CIHL at 31 December 2016 which has been subject to review.

The proforma consolidated financial information presented in this Report is the historical financial information of CIHL for the period ended 31 December 2016, assuming that the acquisition of the Circle Group by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The Directors have prepared and are responsible for the historical and proforma financial information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus and Supplementary Prospectus.

We performed a review of the historical unaudited financial information of CIHL as at and for the period ended 31 December 2016 and the proforma unaudited financial information of CIHL and the Circle Group as at and for the period ended 31 December 2016 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements.

Our review of the historical financial information and the proforma financial information of the Company was carried out in accordance with Standard on Assurance Engagements ASAE 3450 "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountants were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and the proforma information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical financial information and proforma financial information included in this Report or elsewhere in the Prospectus.

Our engagement did not involve updating or re-issuing any previously issued audit report or review report on any financial information used as a source of the financial information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed;
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- c) the going concern basis of accounting has been adopted.

### **3. Financial Information**

Set out in Appendix 1 (attached) are:

- a) The Statement of Financial Position of CIHL as at 31 December 2016, and the Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended (audited).
- b) The proforma consolidated Statement of Financial Position of CIHL as at 31 December 2016, and the proforma consolidated Statement of Comprehensive Income and proforma consolidated Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2016:
  - (i) the share split in relation to CIHL's ordinary issued share capital with 100 ordinary shares being split into 400 ordinary shares;
  - (ii) the issue of 180,000,000 CIHL ordinary shares at a deemed issue price of \$0.315 as consideration for the acquisition of the Circle Group
  - (iii) the share issue by CIHL of 10,000 Shares at an issue price of \$0.315 to raise \$3,150;
  - (iv) the payment of estimated stamp duty arising on the acquisition of \$136,596;

- (v) other costs of the transaction of approximately \$295,655; and
  - (vi) net positive working capital and other movements of the Circle Group entities subsequent to balance date of \$807,272.
- c) Notes to the historical financial information and proforma financial information.

Appendices 2 to 4 to this Report contain historical audited financial information for the Circle Group entities. In the case of CCIL and CCMT, these are the audited financial statements for the year ended 31 December 2016 and the period from the incorporation of CCIL and CCMT to 31 December 2015. In the case of IMW, these are the audited financial statements for the years ended 31 December 2016, 31 December 2015 and 31 December 2014.

The financial statements in Appendices 2 to 4 have been audited by the local independent statutory auditor of the relevant entity and have been translated into Australian dollars.

#### **4. Subsequent Events**

In our opinion, there have been no material items, transactions or events subsequent to 31 December 2016 not otherwise disclosed in the Prospectus or Supplementary Prospectus that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

#### **5. Statements**

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

- a) the historical audited financial information of CIHL as at 31 December 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by the results of its operations for the period then ended; and
- b) the proforma consolidated financial information of CIHL as at 31 December 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations for the period then ended. As noted in Section 2 of this Report, the proforma consolidated financial information presented in this Report is the historical financial information of CIHL for the period ended 31 December 2016, assuming that the acquisition of Circle Group by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

**6. Declaration**

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates (expected to be \$38,000).
- b) Apart from the above fees, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in Circle Group or the promotion of the Company.
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus or Supplementary Prospectus, HLB was not involved in the preparation of any other part of the Prospectus or Supplementary Prospectus and did not cause the issue of any other part of the Prospectus or Supplementary Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus or Supplementary Prospectus.
- e) HLB has consented to the inclusion of this Report in the Prospectus and Supplementary Prospectus in the form and context in which it appears. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB of any participation in the Company by an intending subscriber.

Yours faithfully  
**HLB MANN JUDD**



**M R OHM**  
**Partner**

## APPENDIX 1

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Pro Forma Consolidated Reviewed 31/12/16 \$</b>
Revenue	-	2,166,568
Cost of sales	-	(993,185)
Gross profit	-	1,173,383
Other income	-	1,138
Administrative expenses	-	(175,973)
Finance costs	-	(4,623)
Transaction costs	-	(432,251)
<b>Profit from ordinary activities</b>	-	<b>561,674</b>
Income tax expense	-	(186,653)
<b>Profit from ordinary activities after taxation</b>	-	<b>375,021</b>
<b>Other comprehensive income</b>		
Exchange differences on translating foreign operations	-	49,034
<b>Other comprehensive income, net of tax</b>	-	<b>49,034</b>
<b>Total comprehensive income</b>	-	<b>424,055</b>

This statement should be read in conjunction with the accompanying notes.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Notes	Historical CIHL Reviewed 31/12/16 \$	Proforma Consolidated Reviewed 31/12/16 \$
<b>Current assets</b>			
Cash and cash equivalents	2	138	75,830
Trade and other receivables	3	-	1,472,117
Loan receivables	4	-	784,910
<b>Total current assets</b>		<b>138</b>	<b>2,332,857</b>
<b>Non-current assets</b>			
Plant and equipment		-	364,036
Intangible assets	5	-	2,844,258
Investments	6	-	4,930
<b>Total non-current assets</b>		<b>-</b>	<b>3,213,224</b>
<b>Total assets</b>		<b>138</b>	<b>5,546,081</b>
<b>Current liabilities</b>			
Trade and other payables	7	-	2,389,938
Other liabilities	8	-	419,154
Tax payable		-	461,937
Borrowings	9	-	72,937
<b>Total current liabilities</b>		<b>-</b>	<b>3,343,966</b>
<b>Non-current liabilities</b>			
Borrowings	9	-	238,944
<b>Total non-current liabilities</b>		<b>-</b>	<b>238,944</b>
<b>Total liabilities</b>		<b>-</b>	<b>3,582,910</b>
<b>Net assets</b>		<b>138</b>	<b>1,963,171</b>
<b>Equity</b>			
Issued capital	10	138	1,539,116
Retained earnings	11	-	375,021
Reserves	12	-	49,034
<b>Total equity</b>		<b>138</b>	<b>1,963,171</b>

This statement should be read in conjunction with the accompanying notes.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Issued capital \$	Reserves \$	Retained earnings \$	Total \$
<b>Period ended 31 December 2016 - CIHL (reviewed):</b>				
<b>Balance at 31 December 2016</b>	<b>138</b>	-	-	<b>138</b>
<b>Proforma adjustments:</b>				
Issue of CIHL shares to acquire Circle Group	1,535,828	-	-	1,535,828
Issue of 10,000 CIHL Shares pursuant to Prospectus	3,150	-	-	3,150
Costs of the transaction	-	-	(432,251)	(432,251)
Net positive working capital movements subsequent to balance date	-	-	807,272	807,272
Exchange differences on translation of foreign operations	-	49,034	-	49,034
<b>Consolidated Proforma total</b>	<b>1,539,116</b>	<b>49,034</b>	<b>375,021</b>	<b>1,963,171</b>

This statement should be read in conjunction with the accompanying notes.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of the historical and proforma consolidated financial information by Circle International Holdings Limited ("CIHL" or the "Company") reported under Australian Equivalents to International Financial Reporting Standards ("AIFRS") are shown below.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

*Compliance with IFRS*

The financial information complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"), with the exception of certain disclosure requirements as noted in the preceding paragraph. Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with measurement requirements but not all of the disclosure requirements of International Financial Reporting Standards.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

**(c) Trade and other Receivables**

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

**(d) Financial Instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs on the issue of equity

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

**(e) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Furniture and fittings	10 years
Office equipment	10 years
Computer equipment	3 years
Motor vehicles	5 years
Freehold land and buildings	2%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

*Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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 an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

*Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(f) Intangible assets**

*Intangible assets acquired separately*

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

*Internally generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

**(g) Impairment of assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless that asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is determined for the cash-generating unit 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred, except for borrowing costs relating to qualifying assets when the interest is capitalised to the qualifying assets.

**(i) Trade and Other Payables**

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(j) Provisions and Employee Leave Benefits**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying value is the present value of those cashflows. Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Employee leave benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

**(k) Leases**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the Company. All other leases are classified as operating leases.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Finance leases are capitalised, recording an asset and a liability equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

**(l) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(m) Contributed Equity**

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, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Circle International Holdings Limited.

**(n) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

**(o) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of assets or liabilities (other than as a result of a business combination) which affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference arises from the initial recognition of goodwill; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised, except:

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- when the deductible temporary difference giving rise to the asset arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither accounting profit nor taxable income; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when they relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**(p) Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (collectively referred to as "the Group"). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights are sufficient to give it power, including:

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

**(q) Book value accounting**

For accounting purposes, the acquisition of CCIL, CCMT and IMW by the Company is a transaction under common control. A common control transaction is defined under AASB 3 *Business Combinations* as one in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Whilst common control transactions are outside the scope of AASB 3 and there is no specific guidance in International Financial Reporting Standards ("IFRS"), accounting for common control transactions are in practice accounted for under book value accounting (alternatively known as predecessor accounting).

Under book value accounting, the assets acquired and liabilities assumed are recognised at their book values and no goodwill is created as a result of the transaction.

Any excess of consideration paid over the pre-acquisition equity of the acquirees is recorded within a merger reserve.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(r) Critical accounting judgements and key sources of estimation uncertainty**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of non-financial assets other than goodwill and other indefinite life intangibles

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular assets that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or fair value calculations which incorporate a number of key estimates and assumptions.

**(s) Proforma transactions**

The proforma consolidated Statement of Financial Position of the Company as at 31 December 2016, and the proforma consolidated Statement of Comprehensive Income and proforma consolidated Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2016:

- (i) the share split in relation to CIHL's ordinary issued share capital with 100 ordinary shares being split into 400 ordinary shares.
- (ii) the issue of 180,000,000 CIHL ordinary shares at a deemed issue price of \$0.315 as consideration for the acquisition of the Circle Group;
- (iii) the share issue by CIHL of 10,000 Shares at a deemed issue price of \$0.315 to raise \$3,150;
- (iv) the payment of estimated stamp duty arising on the acquisition of \$136,596;
- (v) other costs of the transaction of approximately \$295,655; and
- (vi) net positive working capital and other movements of the Circle Group entities subsequent to balance date of \$807,272.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**2. CASH AND CASH EQUIVALENTS**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
Balance	138	138
Cash balances of Circle Group acquired	-	403,761
Proceeds from issue of Shares pursuant to Prospectus	-	3,150
Payment of costs of the transaction	-	(295,655)
Working capital movements	-	(35,564)
	<b>138</b>	<b>75,830</b>

**3. TRADE AND OTHER RECEIVABLES**

Balance	-	-
Circle Group receivables acquired	-	1,639,428
Working capital movements	-	(167,311)
	<b>-</b>	<b>1,472,117</b>

**4. LOANS RECEIVABLE**

Circle Group loan receivables acquired	-	16,016
Loan to Circle Corp Sdn. Bhd.	-	762,542
Other loan movements post balance date	-	6,352
	<b>-</b>	<b>784,910</b>

**5. INTANGIBLE ASSETS**

Balance	-	-
Circle Group intangible assets acquired (i)	-	2,093,652
Additions	-	750,606
	<b>-</b>	<b>2,844,258</b>

- (i) The intangible asset represents the Group's e-commerce system under development

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**6. INVESTMENTS**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
Balance	-	-
Investment in agricultural scheme – at cost (i)	-	4,930
	<u>-</u>	<u>4,930</u>

- (i) The investment relates to an investment by IMW in an oil palm plantation agricultural scheme in Sarawak.

**7. TRADE AND OTHER PAYABLES**

Balance	-	-
Circle Group trade payables acquired	-	1,679,190
Working capital movements	-	710,748
	<u>-</u>	<u>2,389,938</u>

**8. OTHER LIABILITIES**

Loans from Directors acquired	-	245,956
Loan from Circle Corp Sdn. Bhd. acquired	-	412,761
Repayment of Circle Corp Sdn. Bhd. loan	-	(412,761)
Increase in loans from Directors	-	173,198
	<u>-</u>	<u>419,154</u>

**9. BORROWINGS**

<u>Current</u>		
Term loan acquired – current	-	5,762
Bank borrowings acquired	-	65,793
Bank overdraft acquired	-	52,261
Movements in borrowings	-	(50,879)
	<u>-</u>	<u>72,937</u>

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**9. BORROWINGS (CONT'D)**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
<u>Non-current</u>		
Term loan acquired – non-current	-	253,129
Movements in borrowings	-	(14,185)
	<b>-</b>	<b>238,944</b>

**10. ISSUED CAPITAL**

	<b>Number</b>	<b>\$</b>
Balance of CIHL as at 31 December 2016	100	138
Share split post-balance date	300	-
Issue of shares to acquire Circle Group entities (i)	180,000,000	1,535,828
Issue of Shares pursuant to the Prospectus	10,000	3,150
	<b>180,010,400</b>	<b>1,539,116</b>

- (i) As part of the acquisition of the Circle Group entities, the Company will issue 180,000,000 shares at a deemed issue price of \$0.315 each to acquire 100% of the issued capital of the Circle Group entities. The net assets of the Circle Group entities acquired as at 31 December 2016 are \$1,535,828.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**11. RETAINED EARNINGS**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
Balance	-	-
Post-acquisition profit or loss of Circle Group	-	375,021
	<u>-</u>	<u>375,021</u>

**12. RESERVES**

Balance	-	-
Exchange differences on translation of foreign operations	-	49,034
	<u>-</u>	<u>49,034</u>

**13. SUBSEQUENT EVENTS**

In our opinion, there have been no material items, transactions or events subsequent to 31 December 2016 not otherwise disclosed in the Prospectus or Supplementary Prospectus that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

**14. CONTINGENCIES AND COMMITMENTS**

There are no contingent liabilities or material expenditure commitments at the date of this Report not otherwise outlined in the Prospectus or Supplementary Prospectus.

**15. RELATED PARTY TRANSACTIONS**

Details of Directors' and Proposed Directors' interests in the Company's issued capital and transactions with the Company are included in Section 7 of the Prospectus.

## APPENDIX 2

**CIRCLE CORPORATION INTERNATIONAL LIMITED ("CCIL")  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>CCIL Audited Year ended 31/12/16 \$</b>	<b>CCIL Audited Period ended 31/12/15 \$</b>
Revenue	2,880,999	917,131
Cost of sales	(1,664,777)	(372,750)
Gross profit	1,216,222	544,381
Other income	1	-
Administrative expenses	(139,375)	(42,233)
<b>Profit before income tax</b>	<b>1,076,848</b>	<b>502,148</b>
Income tax expense	(174,218)	(79,680)
<b>Net profit for the period</b>	<b>902,630</b>	<b>422,468</b>
Other comprehensive income, net of tax: <i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	32,436	12,790
<b>Other comprehensive income, net of tax</b>	<b>32,436</b>	<b>12,790</b>
<b>Total comprehensive income for the period</b>	<b>935,066</b>	<b>435,258</b>

## APPENDIX 2

**CIRCLE CORPORATION INTERNATIONAL LIMITED ("CCIL")  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

<b>Consolidated</b>	<b>CCIL Audited 31/12/16 \$</b>	<b>CCIL Audited 31/12/15 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	402,413	22,754
Trade and other receivables	1,211,760	831,837
Loan to related entity	7,595	6,116
<b>Total current assets</b>	<b>1,621,768</b>	<b>860,707</b>
<b>Non-current assets</b>		
Intangible assets	2,093,653	52,975
<b>Total non-current assets</b>	<b>2,093,653</b>	<b>52,975</b>
<b>Total assets</b>	<b>3,715,421</b>	<b>913,682</b>
<b>Current liabilities</b>		
Trade and other payables	1,478,403	359,311
Amounts payable to Directors	120,808	35,317
Amounts payable to CCSB	412,761	-
Tax payable	262,151	82,082
<b>Total current liabilities</b>	<b>2,274,123</b>	<b>476,710</b>
<b>Non-current liabilities</b>	-	-
<b>Total non-current liabilities</b>	-	-
<b>Total liabilities</b>	<b>2,274,123</b>	<b>476,710</b>
<b>Net assets</b>	<b>1,441,298</b>	<b>436,972</b>
<b>Equity</b>		
Issued capital	70,974	1,714
Retained earnings	1,325,098	422,468
Foreign currency translation reserve	45,226	12,790
<b>Total equity</b>	<b>1,441,298</b>	<b>436,972</b>

## APPENDIX 2

**CIRCLE CORPORATION INTERNATIONAL LIMITED (“CCIL”)  
STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

	Issued capital \$	Retained earnings \$	Foreign Currency Translation Reserve \$	CCIL Audited Total \$
<b>Balance on registration (7 May 2015)</b>	<b>1,714</b>	-	-	<b>1,714</b>
Profit for the period	-	422,468	-	422,468
Exchange differences on translation of foreign operations	-	-	12,790	12,790
Total comprehensive income for the period	-	422,468	12,790	435,258
<b>Balance at 31 December 2015</b>	<b>1,714</b>	<b>422,468</b>	<b>12,790</b>	<b>436,972</b>
<b>Balance at 1 January 2016</b>	<b>1,714</b>	<b>422,468</b>	<b>12,790</b>	<b>436,972</b>
Profit for the year	-	902,630	-	902,630
Exchange differences on translation of foreign operations	-	-	32,436	32,436
Total comprehensive income for the year	-	902,630	32,436	935,066
Equity issued during the year	69,260	-	-	69,260
<b>Balance 31 December 2016</b>	<b>70,974</b>	<b>1,325,098</b>	<b>45,226</b>	<b>1,441,298</b>

## APPENDIX 3

**CIRCLE CORPORATION MEDIATECH SDN BHD (“CCMT”)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	CCMT Audited Year ended 31/12/16 \$	CCMT Audited Period ended 31/12/15 \$
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(1,861)	(1,184)
<b>Loss before income tax</b>	<b>(1,861)</b>	<b>(1,184)</b>
Income tax expense	-	-
<b>Net loss for the period</b>	<b>(1,861)</b>	<b>(1,184)</b>
Other comprehensive income, net of tax: <i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	131	77
<b>Other comprehensive income, net of tax</b>	<b>131</b>	<b>77</b>
<b>Total comprehensive loss for the period</b>	<b>(1,730)</b>	<b>(1,107)</b>

## APPENDIX 3

**CIRCLE CORPORATION MEDIATECH SDN BHD ("CCMT")  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	<b>CCMT Audited 31/12/16 \$</b>	<b>CCMT Audited 31/12/15 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	1	1
<b>Total current assets</b>	<u>1</u>	<u>1</u>
<b>Non-current assets</b>	-	-
<b>Total non-current assets</b>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>1</u>	<u>1</u>
<b>Current liabilities</b>		
Trade and other payables	2,446	702
Amounts payable to Directors	391	405
Amounts payable to CCSB		
Tax payable		
<b>Total current liabilities</b>	<u>2,837</u>	<u>1,107</u>
<b>Non-current liabilities</b>	-	-
<b>Total non-current liabilities</b>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>2,837</u>	<u>1,107</u>
<b>Net liabilities</b>	<u>(2,836)</u>	<u>(1,106)</u>
<b>Equity</b>		
Issued capital	1	1
Accumulated losses	(3,045)	(1,184)
Foreign currency translation reserve	208	77
<b>Total equity</b>	<u>(2,836)</u>	<u>(1,106)</u>

## APPENDIX 3

**CIRCLE CORPORATION MEDIATECH SDN BHD (“CCMT”)  
STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

	Issued capital	Accumulated losses	Foreign Currency Translation Reserve	CCMT Audited Total
	\$	\$	\$	\$
<b>Balance on registration (22 August 2014)</b>	<b>1</b>	-	-	<b>1</b>
Loss for the period	-	(1,184)	-	(1,184)
Exchange differences on translation of foreign operations	-	-	77	77
Total comprehensive loss for the period	-	(1,184)	77	(1,107)
<b>Balance at 31 December 2015</b>	<b>1</b>	<b>(1,184)</b>	<b>77</b>	<b>(1,106)</b>
<b>Balance at 1 January 2016</b>	<b>1</b>	<b>(1,184)</b>	<b>77</b>	<b>(1,106)</b>
Loss for the year	-	(1,861)	-	(1,861)
Exchange differences on translation of foreign operations	-	-	131	131
Total comprehensive loss for the year	-	(1,861)	131	(1,730)
<b>Balance 31 December 2016</b>	<b>1</b>	<b>(3,045)</b>	<b>208</b>	<b>(2,836)</b>

## APPENDIX 4

**INNO MIND WORKS SDN BHD ("IMW")  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>IMW Audited Year ended 31/12/16 \$</b>	<b>IMW Audited Year ended 31/12/15 \$</b>	<b>IMW Audited Year ended 31/12/14 \$</b>
Revenue	805,979	1,277,964	1,183,325
Cost of sales	(607,345)	(884,664)	(865,672)
Gross profit	198,634	393,300	317,653
Other income	41,162	64,401	9,645
Finance costs	(16,884)	(30,543)	(10,784)
Administrative expenses	(194,296)	(415,840)	(305,669)
<b>Profit before income tax</b>	<b>28,616</b>	<b>11,318</b>	<b>10,845</b>
Income tax expense	(15,493)	(15,997)	(7,447)
<b>Net profit/(loss) for the year</b>	<b>13,123</b>	<b>(4,679)</b>	<b>3,398</b>
Other comprehensive income, net of tax: <i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations	(4,389)	(3,108)	(3,345)
<b>Other comprehensive loss, net of tax</b>	<b>(4,389)</b>	<b>(3,108)</b>	<b>(3,345)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>8,734</b>	<b>(7,787)</b>	<b>53</b>

## APPENDIX 4

**INNO MIND WORKS SDN BHD (“IMW”)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

<b>Consolidated</b>	<b>IMW Audited 31/12/16 \$</b>	<b>IMW Audited 31/12/15 \$</b>	<b>IMW Audited 31/12/14 \$</b>
<b>Current assets</b>			
Cash and cash equivalents	1,348	28,118	41,400
Trade and other receivables	427,668	358,457	217,044
Loan to related entity	8,421	-	36,703
<b>Total current assets</b>	<b>437,437</b>	<b>386,575</b>	<b>295,147</b>
<b>Non-current assets</b>			
Investment	4,930	4,930	4,930
Plant and equipment	370,437	524,717	437,355
<b>Total non-current assets</b>	<b>375,367</b>	<b>529,647</b>	<b>442,285</b>
<b>Total assets</b>	<b>812,804</b>	<b>916,222</b>	<b>737,432</b>
<b>Current liabilities</b>			
Trade and other payables	198,339	345,614	570,330
Amounts payable to Directors	124,757	95,681	165,620
Amounts payable to CCSB	-	160,903	-
Borrowings	123,817	594	11,047
Tax payable	15,395	11,913	7,667
<b>Total current liabilities</b>	<b>462,308</b>	<b>614,705</b>	<b>754,664</b>
<b>Non-current liabilities</b>			
Borrowings	253,129	256,673	69,137
<b>Total non-current liabilities</b>	<b>253,129</b>	<b>256,673</b>	<b>69,137</b>
<b>Total liabilities</b>	<b>715,437</b>	<b>871,378</b>	<b>823,801</b>
<b>Net assets/(liabilities)</b>	<b>97,367</b>	<b>44,844</b>	<b>(86,369)</b>
<b>Equity</b>			
Issued capital	214,353	170,564	34,113
Accumulated losses	(108,693)	(121,816)	(117,137)
Foreign currency translation reserve	(8,293)	(3,904)	(3,345)
<b>Total equity/(deficiency)</b>	<b>97,367</b>	<b>44,844</b>	<b>(86,369)</b>

## APPENDIX 4

**INNO MIND WORKS SDN BHD (“IMW”)  
STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

	Issued capital \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Total \$
<b>Balance at 1 January 2014</b>	<b>34,113</b>	<b>(120,535)</b>	<b>-</b>	<b>(86,422)</b>
Profit for the year	-	3,398	-	3,398
Exchange differences on translation of foreign operations	-	-	(3,345)	(3,345)
Total comprehensive income for the year	-	3,398	(3,345)	53
<b>Balance at 31 December 2014</b>	<b>34,113</b>	<b>(117,137)</b>	<b>(3,345)</b>	<b>(86,369)</b>
<b>Balance at 1 January 2015</b>	<b>34,113</b>	<b>(117,137)</b>	<b>(3,345)</b>	<b>(86,369)</b>
Loss for the year	-	(4,679)	-	(4,679)
Exchange differences on translation of foreign operations	-	-	(559)	(559)
Total comprehensive income for the year	-	(4,679)	(559)	(5,238)
Equity issued during the year	136,451	-	-	136,451
<b>Balance at 31 December 2015</b>	<b>170,564</b>	<b>(121,816)</b>	<b>(3,904)</b>	<b>44,844</b>
<b>Balance at 1 January 2016</b>	<b>170,564</b>	<b>(121,816)</b>	<b>(3,904)</b>	<b>44,844</b>
Profit for the year	-	13,123	-	13,123
Exchange differences on translation of foreign operations	-	-	(4,389)	(4,389)
Total comprehensive income for the year	-	13,123	(4,389)	8,734
Equity issued during the year	43,789	-	-	43,789
<b>Balance 31 December 2016</b>	<b>214,353</b>	<b>(108,693)</b>	<b>(8,293)</b>	<b>97,367</b>