

Date : 30 NOV 2017

The Directors
Circle Corp Mediatech Sdn. Bhd.
Unit D-9-3, Block D, Setiawalk,
Persiaran Wawasan
Pusat Bandar Puchong
47160 Puchong
Selangor Darul Ehsan

Dear Sirs,

**INTERIM FINANCIAL STATEMENTS
CIRCLE CORP MEDIATECH SDN. BHD.
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017**

We have requested by the Company to prepare this interim financial statements for the compliance listing of Circle International Holdings Limited, a holding company of the Company on the National Stock Exchange of Australia.

We append herewith the interim financial statements for your attention. The interim financial statements consist of the following:

1. Interim statement of financial position	Page 1
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3. Interim statement of changes in equity	Page 3
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Responsibilities of the Directors for the Interim Financial Statement

The directors of the Company are responsible for the preparation of interim financial statements of the Company that give a true and fair view in accordance with the Malaysian Private Entities Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of interim financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Statements

Based on our review, the accompanying interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the financial period then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Yours faithfully,
A.K. WOO & ASSOCIATES



WOO AH KEK
Approval No: 1908/05/18(J)
Chartered Accountant

Puchong,

Company No.
1106064-V

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
30TH JUNE 2017

Company No.
1106064-V

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

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Company No.
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CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	As at 30/06/2017 RM	As at 31/12/2016 RM
Current Assets			
Prepayment		600	-
Cash and cash equivalents		2	2
Total assets		<u>602</u>	<u>2</u>
Equity			
Share capital	4	2	2
Accumulated losses		(13,327)	(9,209)
Capital deficiency		<u>(13,325)</u>	<u>(9,207)</u>
Current liabilities			
Other payables		11,457	2,339
Accruals		1,200	5,600
Amount owing to directors	5	1,270	1,270
Total current liabilities		<u>13,927</u>	<u>9,209</u>
Total capital deficiency and liabilities		<u>602</u>	<u>2</u>

The annexed notes form an integral part of the financial statements

Company No.
1106064-V

CIRCLE CORP MEDIATECH SDN. BHD.
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**INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2017**

		6 months period ended 30/06/2017	31/12/2016
	NOTE	RM	RM
Revenue		-	-
Cost of sales and direct expenses		-	-
Gross profit		-	-
Administrative expenses		(4,118)	(5,739)
Loss before tax	6	(4,118)	(5,739)
Tax expense	7	-	-
Loss after tax for the financial period/year		(4,118)	(5,739)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial period/year		(4,118)	(5,739)

The annexed notes form an integral part of the financial statements

Company No.
1106064-V

CIRCLE CORP MEDIATECH SDN. BHD.
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**INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2017**

	Share capital RM	Accumulated losses RM	Total RM
Balance as at 01/01/2016	2	(3,470)	(3,468)
Net loss for the financial year	-	(5,739)	(5,739)
Balance as at 31/12/2016	<hr/> 2	<hr/> (9,209)	<hr/> (9,207)
Net loss for the financial period	-	(4,118)	(4,118)
Balance as at 30/06/2017	<hr/> 2	<hr/> (13,327)	<hr/> (13,325)

The annexed notes form an integral part of the financial statements

Company No.
1106064-V

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2017

	6 months period ended 30/06/2017	31/12/2016
	RM	RM
Cash flows from operating activities		
Loss before tax	(4,118)	(5,739)
Operating loss before working capital changes	<u>(4,118)</u>	<u>(5,739)</u>
Increase in prepayment	(600)	-
Increase in other payables	9,118	2,339
(Decrease)/Increase in accruals	<u>(4,400)</u>	<u>3,400</u>
Net cash used in operating activities	<u>-</u>	<u>-</u>
Cash flows from investing activities	-	-
Cash flow from financing activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the financial period/year	<u>2</u>	<u>2</u>
Cash and cash equivalents at end of financial period/year	<u><u>2</u></u>	<u><u>2</u></u>

The annexed notes form an integral part of the financial statements

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
30TH JUNE 2017

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company are audited and have been prepared under the historical cost basis, unless otherwise stated in the significant accounting policies set out in Note 2.

Management has used estimate and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reported period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 3.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Equity Instruments and Distributions

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares are classified as equity.

Cost directly attributable to the issue of instruments classified as equity are recognized as a deduction from equity, net of any related income tax effect.

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

For a distribution of non-cash assets to owners, the Company measures the dividend payable at the fair value of the assets to be distributed.

CIRCLE CORP MEDIATECH SDN. BHD.
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2. SIGNIFICANT ACCOUNTING POLICIES (Continue)

2.2 Financial Instruments

(a) Initial Recognition and Measurement

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(b) Derecognition of Financial Instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or settle, or control of the assets is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

(c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely financial assets at fair value through profit or loss, and financial assets at amortise cost.

After initial recognition, investment in ordinary share are measured at their fair values by reference to the active market price, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

CIRCLE CORP MEDIATECH SDN. BHD.
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2. SIGNIFICANT ACCOUNTING POLICIES (Continue)

Investment in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 2.2(g).

(d) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(e) Fair Value Measurement of Financial Instruments

The fair value of financial assets or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(f) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instrument.

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (Continue)

(g) Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivable, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate of the amount that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (Continue)

2.3 Tax Assets and Tax Liabilities

Current tax assets and liabilities is measured at the amount the Company expects to recover or pay using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, unused tax losses and unused tax credits can be utilized.

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

Deferred tax asset and liabilities are not recognised in respect of the temporary difference associated with the initial recognition of an asset or liability in transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit or tax loss

Deferred taxes are measured using tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

A current or deferred tax is recognised as income or expense in profit or loss for the period.

2.4 Provisions

A provision is recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risk and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (Continue)

2.5 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with bank and highly liquid investments which have insignificant risk of changes in fair value with original maturities of three months or less from the date of acquisition, net of bank overdrafts and pledged deposits.

3. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY

3.1 Estimation Uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are as follows:

(a) Measurement of a Provision

The Company uses a “best estimate” as the basis for measuring a provision. Management evaluates the estimates based on the Company’s historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made. The actual outcome may differ from the estimate made and this may have a significant effect on the Company’s financial position and results.

4. SHARE CAPITAL

	30.06.2017	31.12.2016
	RM	RM
Authorised:-		
Ordinary shares of RM 1/- each	<u>400,000</u>	<u>400,000</u>
Issued and fully paid:-		
Ordinary shares of RM1/- each	<u>2</u>	<u>2</u>

CIRCLE CORP MEDIATECH SDN. BHD.
(Incorporated in Malaysia)

5. AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest free and with no fixed term of repayments.

6. LOSS BEFORE TAX

	30.06.2017	31.12.2016
	RM	RM
Loss before tax is arrived at after charging:		
Auditor's remuneration	<u>1,200</u>	<u>1,200</u>

7. TAX EXPENSE

	30.06.2017	31.12.2016
	RM	RM
Current tax expense	<u>-</u>	<u>-</u>

The significant differences between tax expenses and accounting loss multiplied by the statutory tax rate due to the affects arising from the following items:

	30.06.2017	31.12.2016
	RM	RM
Loss before tax	<u>(4,118)</u>	<u>(5,739)</u>
Tax at the statutory income tax rate of 18% (2016 : 19%)	(741)	(1,090)
Tax effects of:		
Non-deductible expenses	<u>741</u>	<u>1,090</u>
Total income tax expense	<u>-</u>	<u>-</u>

For the year of assessment 2017, small and medium scale companies with paid-up capital of RM2.5 million and below at the beginning of the basis period be subject to corporate tax of 18% (2016 : 19%) on the first RM500,000/- and 24% (2016 : 24%) on chargeable income above RM500,000/-.

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STATEMENT BY DIRECTORS

We, **TAN HO** and **TAN PEK**, the directors of **CIRCLE CORP MEDIATECH SDN. BHD.**, state that, in our opinion, the accompanying interim financial statements set out on pages 1 to 11 are drawn up in accordance with the applicable Malaysia Private Entity Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Company as at 30th June 2017 and its financial performance and the cash flows of the Company for the financial period ended on that date.



TAN HO
Director

Puchong,



TAN PEK
Director

Date : 30 NOV 2017