

CIRCLE INTERNATIONAL HOLDINGS LIMITED
ARBN 621 001 296

NSX Appendix 3
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Reporting Period

Current Reporting Period : 1 January 2018 to 31 December 2018

Prior Reporting Period : 1 January 2017 to 31 December 2017

2. Results for announcement to the market

Revenue from ordinary activities for the year	Decreased 28.3% to \$2,917,625
Loss from ordinary activities after tax for the year attributable to members	Decreased 218.4% to -\$1,234,974
Net loss for the year attributable to members	Decreased 218.4% to -\$1,234,974

3. Earning per shares (EPS)

	As at 31 December 2018	As at 31 December 2017
Basic and fully diluted (cents)	<u>(0.69)</u>	<u>6.95</u>

4. Financial Result

	As at 31 December 2018	As at 31 December 2017
	AU\$	AU\$
Current Assets	2,572,878	5,349,657
Non-Current Assets	<u>3,610,009</u>	<u>3,610,198</u>
Total Assests	<u>6,182,887</u>	<u>8,959,855</u>
Current Liabilities	2,283,359	5,334,897
Non-Current Liabilities	<u>2,809,385</u>	<u>1,190,455</u>
Total Liabilities	<u>5,092,744</u>	<u>6,525,352</u>
Net Assets	<u>1,090,143</u>	<u>2,434,503</u>

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	31 December 2018	31 December 2017
	AU\$	AU\$
Revenue	2,917,625	4,068,174
Cost of sales	<u>(1,755,561)</u>	<u>(1,705,422)</u>
Gross profit	1,162,064	2,362,752
Other income	4,674	14,722
Administrative expenses	(380,639)	(342,635)
Other operating expenses	(1,996,666)	(667,101)
Finance costs	<u>(15,918)</u>	<u>(13,837)</u>
(Loss) / Profit from ordinary activities	(1,226,485)	1,353,901
Income tax expenses	<u>(8,489)</u>	<u>(311,213)</u>
(Loss) / Profit from ordinary activities after taxation	<u>(1,234,974)</u>	<u>1,042,688</u>

5. Commentary on Financial Result

Commentary on financial results for the year :

- 1) The revenue decreased in year 2018 compared with year 2017 major due to revenue decreased in Hong Kong and China market segments
- 2) Significant increased in administrative expenses in year 2018 is major due to increased of legal and professional fees in group
- 3) Significant increased in other operating expenses in year 2018 is major due to increased of depreciation & amortisation and provision for doubtful debts in group
- 4) Significant decreased in income tax expenses major due to a subsidiary was granted to the tax exempt from tax authority

6. Dividends

The Company has not paid dividends and it is not proposing to pay dividends

7. Statement of Comprehensive Income

Refer to attached Statement of Comprehensive Income

8. Statement of Financial Position

Refer to attached Statement of Financial Position

9. Statement of Changes in Equity

Refer to attached Statement of Changes in Equity

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10. Statement of Cash Flows

Refer to attached Statement of Cash Flows

11. Details of entities over which control has been gained or lost

During the reporting period in 2018, there is no changes in the Group structure

12. Status of audit and description of likely disputes or qualifications

The preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification

13. Reporting Currency

The reporting currency for the consolidated group is Australian Dollars.



Mr. Yaw Chee Lim

Managing Director and CEO

Date : 30 September 2019

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Group Consolidated 01.01.2018 to 31.12.2018 (12 months) Unaudited AU\$	Group Consolidated 01.01.2017 to 31.12.2017 (12 months) Audited AU\$
Revenue	2,917,625	4,068,174
Cost of sales	(1,755,561)	(1,705,422)
Gross profit	<u>1,162,064</u>	<u>2,362,752</u>
Other income	4,674	14,722
Administrative expenses	(380,639)	(342,635)
Other operating expenses	(1,996,666)	(667,101)
Finance costs	(15,918)	(13,837)
(Loss) / Profit from ordinary activities	(1,226,485)	1,353,901
Income tax expenses	(8,489)	(311,213)
(Loss) / Profit from ordinary activities after taxation	(1,234,974)	1,042,688
Other comprehensive income		
Exchange differences on translating foreign operations	(109,387)	(104,126)
Other comprehensive loss for the year, net of tax	(109,387)	(104,126)
Total comprehensive (loss) / income for the year	(1,344,361)	938,562
(Loss) / Profit attributable to :		
Members of the parent entity	<u>(1,234,974)</u>	<u>1,042,688</u>
Total comprehensive (loss) / income attributable to :		
Members of the parent entity	<u>(1,344,361)</u>	<u>938,562</u>
Earning per share		
- Basic and fully diluted (cents)	<u>(0.69)</u>	<u>6.95</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Group Consolidated 31.12.2018 (12 months) Unaudited AU\$	Group Consolidated 31.12.2017 (12 months) Audited AU\$
ASSETS		
Current assets		
Cash and bank balances	171,383	434,949
Fixed deposits with licensed bank	36,464	32,590
Trade and other receivables	2,361,354	4,042,396
Tax recoverables	3,677	-
Inventories	-	839,722
Total current assets	2,572,878	5,349,657
Non-current assets		
Property, plant and equipment	386,190	367,122
Intangible assets	3,218,332	3,238,023
Investment	5,488	5,053
Total non-current assets	3,610,009	3,610,198
Total assets	6,182,887	8,959,855
LIABILITIES		
Current liabilities		
Trade and other payables	1,752,995	4,711,169
Tax payable	385,994	552,004
Bank overdraft	33,597	60,971
Borrowings	110,773	10,753
Total current liabilities	2,283,359	5,334,897
Non-current liabilities		
Borrowings	278,562	247,306
Other liabilities	2,530,648	943,149
Deferred tax liabilities	175	-
Total non-current liabilities	2,809,385	1,190,455
Total liabilities	5,092,744	6,525,352
Net assets	1,090,143	2,434,503
Equity		
Share capital	57,656,229	57,656,229
Retained earnings	1,035,771	2,270,744
Reserves	(57,601,857)	(57,492,470)
Total Equity	1,090,143	2,434,503

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Non distributable		Distributable		
	Share capital AU\$	Foreign currency translation reserve AU\$	Merger reserve AU\$	Retained earnings AU\$	Total equity AU\$
Balance as at 1 January 2017	138	-	-	1,228,056	1,228,194
Profit for the financial year	-	-	-	1,042,688	1,042,688
Other comprehensive income, net of tax	-	(104,126)	-	-	(104,126)
Total comprehensive income	-	(104,126)	-	1,042,688	938,562
Transactions with owners:					
Acquisition of subsidiaries in business combination under common control	-	-	-	-	-
	57,656,091	-	(57,388,344)	-	267,747
Total transactions with owners	57,656,091	-	(57,388,344)	-	267,747
Balance as at 31 December 2017	57,656,229	(104,126)	(57,388,344)	2,270,744	2,434,503
(Loss) for the financial year	-	-	-	(1,234,974)	(1,234,974)
Other comprehensive income, net of tax	-	(109,387)	-	-	(109,387)
Total comprehensive (loss)	-	(109,387)	-	(1,234,974)	(1,344,361)
Balance as at 31 December 2018	57,656,229	(213,513)	(57,388,344)	1,035,770	1,090,142

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group Consolidated 31 December 2018 AU\$	Group Consolidated 31 December 2017 AU\$
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers	2,168,185	1,471,126
Payments to suppliers & employees	(2,438,848)	(1,193,181)
Interest paid	(16,445)	(12,292)
Interest received	1,078	1,370
Income taxes paid	(14,859)	(11,147)
Net cash from /(used) in operating activities	<u>(300,889)</u>	<u>255,876</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Cash acquired as a result of business combination	-	331,219
Payment of development costs for intangible assets	(16,674)	(545,955)
Net cash used in investing activities	<u>(16,674)</u>	<u>(214,736)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of term loan facilities	(74,517)	(9,381)
Drawdown of overdraft facilities	137,206	5,182
Net (repayment) / advances from related parties	(14,835)	347,893
Net cash from /(used) in financing activities	<u>47,854</u>	<u>343,694</u>
Effects of exchange rate changes on cash and cash equivalents	<u>37,392</u>	<u>(32,601)</u>
Net increase / (decrease) in cash and cash equivalents held	(232,317)	352,234
Cash and cash equivalents at beginning of year	<u>406,568</u>	<u>54,335</u>
Cash and cash equivalents at end of year	<u><u>174,250</u></u>	<u><u>406,568</u></u>

Note : Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	Group Consolidated 31 December 2018 AU\$	Group Consolidated 31 December 2017 AU\$
Fixed deposit with licensed bank	36,464	32,590
Cash and bank balances	171,383	434,949
Bank overdraft	(33,597)	(60,971)
	<u>174,250</u>	<u>406,568</u>