



Company Registration No. 200407031R

## ARTIVISION TECHNOLOGIES LTD.

### UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

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

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1 (a) 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.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 Months			9 Months		
	1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	+/-	1 Apr 2017 to 31 Dec 2017	1 Apr 2016 to 31 Dec 2016	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
<b>Continuing operations</b>						
Revenue	1,581	2,209	(28)	3,865	5,812	(33)
Cost of sales	(946)	(1,207)	(22)	(2,687)	(3,555)	(24)
<b>Gross profit</b>	635	1,002	(37)	1,178	2,257	(48)
<b>Gross profit margin</b>	40%	45%		30%	39%	
Other gains – net	47	918	(95)	51	853	(94)
Expenses						
- Distribution	(25)	(59)	(58)	(98)	(162)	(40)
- Administrative	(2,836)	209	N.M.	(5,149)	(2,443)	111
- Finance	(198)	(875)	(77)	(818)	(3,271)	(75)
Loss before income tax	(2,377)	1,195	N.M.	(4,836)	(2,766)	75
Income tax expense	-	-	-	-	-	-
<b>Loss from continuing operations</b>	(2,377)	1,195	N.M.	(4,836)	(2,766)	75
<b>Discontinued operations*</b>						
Loss from discontinued operations	-	(2,021)	(100)	(810)	(4,420)	(82)
<b>Total losses</b>	(2,377)	(826)	188	(5,646)	(7,186)	(21)
<b>Other comprehensive loss:</b>						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gains/(losses)	41	(378)	N.M.	28	(482)	N.M.
- Reclassification	-	-	-	997	-	N.M.
<b>Total comprehensive loss</b>	(2,336)	(1,204)	94	(4,621)	(7,668)	(40)

N.M. – not meaningful

\* “Discontinued operations” refers to the Media Solution Business of Artimedia Pte. Ltd. and its subsidiary and joint venture companies (“Artimedia Group”).

On 11 August 2017, the Company completed the disposal of Artimedia Group (the “Disposal”), which was approved by the shareholders of the Company during the extraordinary general meeting of the Company held on 27 July 2017. Artimedia Pte. Ltd. ceased to be a wholly-owned subsidiary of the Company and was excluded from the Group’s consolidated accounts with effect from the same date. The comparative figures have also been adjusted accordingly.

**1 (a) 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. (continued)**

**Discontinued operations**

The results of Artimedia Group from April 2017 up to the date of completion of the disposal by the Company, being 11 August 2017, have been included as part of the Group's unaudited financial results for the 9 months financial period ended 31 December 2017 ("**Q3 2018**") and the comparative period was presented separately in the statement of comprehensive income in compliance with "FRS 105 – Non-current Assets Held-for-Sale and Discontinued Operations" ("**FRS 105**"). The results of the discontinued operations are as follows:

	3 Months			9 Months		
	1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	+/-	1 Apr 2017 to 31 Dec 2017	1 Apr 2016 to 31 Dec 2016	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
<b>Discontinued operations</b>						
Revenue	-	2,926	(100)	7,748	9,714	(20)
Cost of sales	-	(3,200)	(100)	(6,319)	(9,427)	(33)
<b>Gross (losses)/profit</b>	-	(274)	(100)	1,429	287	398
<b>Gross (losses)/profit margin</b>	-	(9%)		18%	3%	
Other losses – net	-	(363)	(100)	(8)	(139)	(94)
Expenses						
- Distribution	-	(501)	(100)	(760)	(1,401)	(46)
- Administrative	-	(839)	(100)	(1,436)	(3,123)	(54)
- Finance	-	-	-	(15)	-	N.M.
Share of loss of a joint venture	-	(44)	(100)	(20)	(44)	(55)
Loss before income tax from discontinued operations	-	(2,021)	(100)	(810)	(4,420)	(82)
Income tax expense	-	-	-	-	-	-
<b>Net loss for the period from discontinued operations</b>	-	(2,021)	(100)	(810)	(4,420)	(82)
Cumulative expenses recognised in other comprehensive loss relating to discontinued operations are as follows:						
- Currency translation differences	-	(483)	(100)	(1,175)	(672)	75

N.M. – not meaningful

**1 (a) 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. (continued)**

(i) (Loss)/profit for the period is arrived at after (charging)/crediting the following:

	3 Months			9 Months		
	1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	+/-	1 Apr 2017 to 31 Dec 2017	1 Apr 2016 to 31 Dec 2016	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
<b>Continuing operations:</b>						
Depreciation of property, plant and equipment	(1,328)	(145)	816	(1,613)	(428)	277
Amortisation of intangible assets	(182)	(64)	184	(307)	(192)	60
Loss on disposal of property, plant and equipment	-	-*	-	-	(3)	(100)
Property, plant and equipment written off	-	-	-	(3)	-	100
<b>Other gains/(losses) – net</b>						
Currency translation (losses)/gains – net	(29)	898	N.M.	3	1,081	(100)
Fair value changes on derivative financial instruments	-	9	100	13	323	(96)
Interest income from bank and fixed deposits	2	2	-	4	13	(69)
Impairment loss on available-for-sale financial asset	-	-	-	-	(613)	(100)
Loss on disposal of subsidiary	-	-	-	(187)	-	N.M.
Other income	74	9	722	218	49	345
	47	918	(95)	51	853	(94)
<b>Finance expenses</b>						
Interest expense on convertible loan	-	(607)	(100)	(102)	(1,759)	(94)
Interest expense on bonds	(198)	(268)	(26)	(716)	(1,512)	(53)
	(198)	(875)	(77)	(818)	(3,271)	(75)

N.M. – not meaningful  
\* - Amount less than S\$1,000

**1 (a) 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. (continued)**

(i) (Loss)/profit for the period is arrived at after (charging)/crediting the following: (continued)

	3 Months			9 Months		
	1 Oct 2017 to 31 Dec 2017	1 Oct 2016 to 31 Dec 2016	+/-	1 Apr 2017 to 31 Dec 2017	1 Apr 2016 to 31 Dec 2016	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
<b>Discontinued operations:</b>						
Depreciation of plant and equipment	-	(14)	(100)	(24)	(40)	(40)
Amortisation of intangible assets	-	(5)	(100)	(8)	(11)	(27)
<b>Finance expenses</b>						
Interest expense on external loan	-	-	-	(15)	-	N.M.
<b>Other (losses)/gains – net</b>						
Currency translation losses – net	-	(366)	(100)	(8)	(143)	(94)
Interest income from bank and fixed deposits	-	-*	-	-*	1	(100)
Other income	-	3	(100)	-	3	(100)
	-	(363)	(100)	(8)	(139)	(94)

N.M. – not meaningful  
\* - Amount less than S\$1,000

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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2017 (Unaudited) S\$'000	31 Mar 2017 (Audited) S\$'000	31 Dec 2017 (Unaudited) S\$'000	31 Mar 2017 (Audited) S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,846	4,038	577	2,846
Available-for-sale financial asset	-	-	-	-
Trade and other receivables	2,662	471	2,000	179
Other current assets	115	211	44	105
Inventories	202	252	-	-
	<b>4,825</b>	<b>4,972</b>	<b>2,621</b>	<b>3,130</b>
Assets of disposal group classified as held-for-sale	-	9,078	-	1
	<b>4,825</b>	<b>14,050</b>	<b>2,621</b>	<b>3,131</b>
<b>Non-current assets</b>				
Other receivables	-	-	-	5,000
Available-for-sale financial asset	_*	_*	_*	_*
Investments in subsidiaries	-	-	1,315	1,315
Property, plant and equipment	1,058	2,657	2	6
Intangible assets	122	429	-	_*
	<b>1,180</b>	<b>3,086</b>	<b>1,317</b>	<b>6,321</b>
<b>Total assets</b>	<b>6,005</b>	<b>17,136</b>	<b>3,938</b>	<b>9,452</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables and other liabilities	1,692	1,264	868	899
Derivative financial instruments	-	13	-	13
Convertible loan	-	5,523	-	5,523
Bonds payable	6,875	7,175	6,875	7,175
	<b>8,567</b>	<b>13,975</b>	<b>7,743</b>	<b>13,610</b>
Liabilities of disposal group classified as held-for-sale	-	4,078	-	-
	<b>8,567</b>	<b>18,053</b>	<b>7,743</b>	<b>13,610</b>
<b>NET LIABILITIES</b>	<b>(2,562)</b>	<b>(917)</b>	<b>(3,805)</b>	<b>(4,158)</b>

\* - Amount less than S\$1,000

**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. (continued)**

**STATEMENTS OF FINANCIAL POSITION (continued)**

	Group		Company	
	31 Dec 2017	31 Mar 2017	31 Dec 2017	31 Mar 2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	71,777	68,787	71,777	68,787
Other reserves	2,653	1,642	2,524	2,538
Accumulated losses	(76,992)	(71,346)	(78,106)	(75,483)
<b>Total equity</b>	<b>(2,562)</b>	<b>(917)</b>	<b>(3,805)</b>	<b>(4,158)</b>

On 11 August 2017, the Company disposed the following assets and liabilities pertaining to Artimedia Group.

Carrying amount of assets and liabilities disposed of as at 11 August 2017 and the major classes of assets and liabilities of disposal group classified as held-for-sale under FRS 105 as at 31 March 2017 are as follows:

	Group	
	11 Aug 2017 (Unaudited) S\$'000	31 Mar 2017 (Audited) S\$'000
<b>Carrying amount of assets disposed of/ Details of the assets of disposal group classified as held-for-sale are as follows:</b>		
Plant and equipment	158	94
Intangible assets	35	44
Trade and other receivables	15,693	11,905
Other current assets	153	193
Cash and cash equivalents	2,290	3,729
	18,329	15,965
Less: Impairment of assets held-for-sale	(6,887)	(6,887)
	<b>11,442</b>	<b>9,078</b>
<b>Carrying amount of liabilities disposed of/ Details of the liabilities of disposal group classified as held-for-sale are as follows:</b>		
Trade payables and other liabilities	5,416	4,078
Loan from third party	2,014	-
	<b>7,430</b>	<b>4,078</b>
<b>Net assets disposed of/ Net assets of disposal group classified as held-for-sale</b>	<b>4,012</b>	<b>5,000</b>
<b>Company</b>		
	11 Aug 2017 (Unaudited) S\$'000	31 Mar 2017 (Audited) S\$'000
<b>Carrying amount of asset disposed of/ Details of assets in non-current assets classified as held-for-sale are as follows:</b>		
Investment in subsidiary	1	1

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

	<b>As at 31 Dec 2017</b>		<b>As at 31 Mar 2017</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Amount repayable in one (1) year or less, or on demand</u></b>				
Convertible loan	-	-	-	5,523
Bonds payable	-	6,875	-	7,175
<b><u>Amount repayable after one (1) year</u></b>	-	-	-	-

**Details of any collateral**

Not applicable, as there is no collateral on the Group's borrowings.

**Bonds Payable**

Bonds payable refer to bonds comprising the following:

- a) an aggregate principal amount of S\$4,875,000 as at 31 December 2017 (S\$4,875,000 as at 31 March 2017), which bears interest at 10% per annum, is unsecured and repayable in one lump sum on 31 August 2018; and
- b) an aggregate principal amount of S\$2,000,000 as at 31 December 2017 (S\$Nil as at 31 March 2017), which bears interest at 15% per annum, is unsecured and repayable in one lump sum on 31 August 2018.



**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**

	<b>3 months ended 31 Dec 2017 (Unaudited) S\$'000</b>	<b>3 months ended 31 Dec 2016 (Unaudited) S\$'000</b>	<b>9 months ended 31 Dec 2017 (Unaudited) S\$'000</b>	<b>9 months ended 31 Dec 2016 (Unaudited) S\$'000</b>
<b>Cash flows from operating activities</b>				
Net loss	(2,377)	(826)	(5,646)	(7,186)
Adjustments for				
- Amortisation of intangible assets	182	69	315	203
- Depreciation of property, plant and equipment	1,328	159	1,637	468
- Fair value changes on derivative financial instruments	-	(9)	(13)	(323)
- Interest income	(2)	(2)	(4)	(14)
- Interest expense on convertible loan	-	607	102	1,759
- Interest expense on bonds	198	268	716	1,512
- Interest expense on external loan of disposal group	-	-	15	-
- Impairment loss on available-for-sale financial asset	-	-	-	613
- Loss on disposal of property, plant and equipment	-	-*	-	3
- Loss on disposal of subsidiary	-	-	187	-
- Currency translation difference arising from consolidation for disposal of subsidiary	-	-	(179)	-
- Property, plant and equipment written off	-	-*	3	-
- Share of loss of a joint venture	-	44	20	44
- Unrealised currency translation gains/(losses)	1	299	(73)	353
- Accrual/(write-back) of share-based compensation expenses	1	(1,382)	(14)	(546)
	(669)	(773)	(2,934)	(3,114)
<b>Change in working capital, net of effects from disposal of subsidiary:</b>				
- Inventories	37	34	51	51
- Trade and other receivables	(199)	1,349	(3,995)	(1,887)
- Other current assets	79	99	138	131
- Trade payables and other liabilities	177	(1,249)	1,641	(193)
<b>Cash used in operations</b>	(575)	(540)	(5,099)	(5,012)
Interest received	2	1	4	14
Income tax prepaid	-	-	-	(48)
<b>Net cash used in operating activities</b>	(573)	(539)	(5,095)	(5,046)
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(-*)	(32)	(90)	(75)
Additions to intangible assets	-	(18)	-	(36)
Disposal of the subsidiary, net of cash disposed of	-	-	3,000	-
Sales proceeds on disposal of property, plant and equipment	-	-*	-	4
<b>Net cash (used in)/from investing activities</b>	(-*)	(50)	2,910	(107)

\*- Amount less than S\$1,000

**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. (continued)**

**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

	<b>3 months ended 31 Dec 2017 (Unaudited) S\$'000</b>	<b>3 months ended 31 Dec 2016 (Unaudited) S\$'000</b>	<b>9 months ended 31 Dec 2017 (Unaudited) S\$'000</b>	<b>9 months ended 31 Dec 2016 (Unaudited) S\$'000</b>
<b>Cash flows from financing activities</b>				
Proceeds from the renounceable and non-underwritten Rights Shares	-	-	-	10,307
Interest on convertible loan paid	-	(416)	(414)	(824)
Interest on 2015 DECEMBER Bonds paid	-	-	(514)	-
Share issue expenses	-	-	(10)	(121)
Repayment of convertible loan	-	-	(5,520)	-
Repayment of 2015 DECEMBER Bonds	-	-	(2,000)	(4,000)
Proceeds from exercise of option shares	-	-	3,000	-
Proceeds from issuance of 2017 APRIL Bonds	-	-	2,000	-
Loan from shareholder	-	4,000	-	4,000
Loan from third party for disposal group	-	-	2,000	-
<b>Net cash from/(used in) financing activities</b>	<b>-</b>	<b>3,584</b>	<b>(1,458)</b>	<b>9,362</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(573)</b>	<b>2,995</b>	<b>(3,643)</b>	<b>4,209</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	2,404	4,760	4,038	3,469
Effects of currency translation on cash and cash equivalents	15	195	11	272
(Decrease in cash and cash equivalents of disposal group classified as held-for-sale)/increase in cash and cash equivalent of disposal group	-	(5,459)	1,440	(5,459)
End of financial period	<b>1,846</b>	<b>2,491</b>	<b>1,846</b>	<b>2,491</b>

*Reconciliation of liabilities arising from financing activities*

	<b>As at 31 Mar 2017 S\$'000</b>	<b>Net cash flows S\$'000</b>	<b>Non-cash changes</b>			<b>As at 31 Dec 2017 S\$'000</b>
			<b>Amortisation of interest expense S\$'000</b>	<b>Conversion of interest payables to bonds principal<sup>#</sup> S\$'000</b>	<b>Foreign exchange movement S\$'000</b>	
<b>Convertible loan</b>	5,523	(5,520)	66	-	(69)	-
<b>Bonds payable</b>	7,175	(514)	-	214	-	6,875

<sup>#</sup> On 18 June 2017, the Company had obtained the agreement from Ms Poh Chew Hua Christine to extend the repayment period from 31 July 2017 to a date on or before 8 September 2017 for the initial principal amount of S\$2,000,000 and interest due, on the same terms (including interest rate of 15% per annum) as the subscription agreement dated 31 December 2015. As mentioned in paragraph 1(b)(ii), the bonds including interest portion was fully repaid on 11 August 2017.

**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. (continued)**

*In the consolidated statement of cash flows, the operating cash flows of Artimedia Group from April 2017 up to the date of completion, 11 August 2017, has been aggregated with those of the continuing operations of the Group. The impact of the discontinued operations on the cash flows of the Group is as follows:*

	<b>3 months ended 31 Dec 2017 (Unaudited) S\$'000</b>	<b>3 months ended 31 Dec 2016 (Unaudited) S\$'000</b>	<b>9 months ended 31 Dec 2017 (Unaudited) S\$'000</b>	<b>9 months ended 31 Dec 2016 (Unaudited) S\$'000</b>
Operating cash outflows	-	(1,444)	(3,328)	(5,645)
Investing cash outflows	-	(38)	(89)	(80)
Financing cash inflows	-	3,698	2,000	9,408
Total cash (outflows)/inflows	-	<b>2,216</b>	<b>(1,417)</b>	<b>3,683</b>

**Note**

On 11 August 2017, the Company disposed of its entire interest in Artimedia Group for a cash consideration of S\$5.00 million. The first installment of S\$3.00 million was received on 11 August 2017. The effects of the disposal of Artimedia Group on the cash flows of the Group were as follows:

	<b>11 Aug 2017 (Unaudited) S\$'000</b>
<b>Carrying amounts of assets and liabilities disposed of</b>	
Plant and equipment	158
Intangible assets	35
Trade and other receivables	15,693
Other current assets	153
Cash and cash equivalents	2,290
	<u>18,329</u>
Less:	
Impairment of assets held-for-sale	(6,887)
<b>Total assets</b>	<u>11,442</u>
Trade payables and other liabilities	5,416
Loan from third party	2,014
<b>Total liabilities</b>	<u>7,430</u>
<b>Net assets disposed of</b>	4,012
Currency translation difference arising from consolidation for disposal of subsidiary	1,175
Less:	
Loss on disposal	(187)
Cash consideration from disposal	5,000
Less: Outstanding payments	(2,000)
<b>Net cash inflow on disposal</b>	<u><u>3,000</u></u>

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	Share capital	Currency translation reserve	Share-based compensation reserve	Capital reserve	Accumulated losses	Total attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>(Unaudited)</b>						
<b>Balance as at 1 April 2016</b>	51,402	(190)	3,091	-*	(55,490)	(1,187)
Loss for the period	-	-	-	-	(7,186)	(7,186)
Other comprehensive loss for the period	-	(482)	-	-	-	(482)
Total comprehensive loss for the period	-	(482)	-	-	(7,186)	(7,668)
Write-back value of employee services received for issue of share options and share awards	-	-	(546)	-	-	(546)
Renounceable and non-underwritten Rights issue	13,057	-	-	-	-	13,057
Share issue expenses	(121)	-	-	-	-	(121)
<b>Balance as at 31 December 2016</b>	<b>64,338</b>	<b>(672)</b>	<b>2,545</b>	<b>-*</b>	<b>(62,676)</b>	<b>3,535</b>
<b>(Unaudited)</b>						
<b>Balance as at 1 April 2017</b>	68,787	(896)	2,538	-*	(71,346)	(917)
Loss for the period	-	-	-	-	(5,646)	(5,646)
Other comprehensive loss for the period	-	1,025	-	-	-	1,025
Total comprehensive loss for the period	-	1,025	-	-	(5,646)	(4,621)
Writeback of employee services received for issue of share options	-	-	(14)	-	-	(14)
Exercise of option shares	3,000	-	-	-	-	3,000
Share issue expenses	(10)	-	-	-	-	(10)
<b>Balance as at 31 December 2017</b>	<b>71,777</b>	<b>129</b>	<b>2,524</b>	<b>-*</b>	<b>(76,992)</b>	<b>(2,562)</b>

\*- Amount less than S\$1,000

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 (continued).

**STATEMENT OF CHANGES IN EQUITY**

Company	Share capital S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>(Unaudited)</b>					
<b>Balance as at 1 April 2016</b>	51,402	3,091	-*	(50,340)	4,153
Total comprehensive loss for the period	-	-	-	(1,336)	(1,336)
Write-back value of employee services received for issue of share options and share awards	-	(546)	-	-	(546)
Renounceable and non-underwritten Rights Issue	13,057	-	-	-	13,057
Share issue expenses	(121)	-	-	-	(121)
<b>Balance as at 31 December 2016</b>	<b>64,338</b>	<b>2,545</b>	<b>-*</b>	<b>(51,676)</b>	<b>15,207</b>
<b>(Unaudited)</b>					
<b>Balance as at 1 April 2017</b>	68,787	2,538	-*	(75,483)	(4,158)
Total comprehensive loss for the period	-	-	-	(2,623)	(2,623)
Writeback of employee services received for issue of share options	-	(14)	-	-	(14)
Exercise of option shares	3,000	-	-	-	3,000
Share issue expenses	(10)	-	-	-	(10)
<b>Balance as at 31 December 2017</b>	<b>71,777</b>	<b>2,524</b>	<b>-*</b>	<b>(78,106)</b>	<b>(3,805)</b>

\*- Amount less than S\$1,000

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.

	Number of Shares	Share Capital S\$'000
<b>Issued and fully paid-up ordinary shares</b>		
Balance as at 30 September 2017 and as at 31 December 2017	1,797,792,986	71,777

The total number of shares in the capital of the Company (“Shares”) that may be issued on conversion of all the outstanding convertibles of the Company as at 31 December 2017 was 762,505,555 (31 December 2016: 147,394,267), comprising the following:-

(a) Employee share options and employee share awards

As at 31 December 2017, the total number of outstanding employee share options and employee share awards were 6,950,000 and NIL respectively.

(b) 2016 DECEMBER Option Shares

On 29 December 2016, the Company announced that it had, on 27 December 2016, entered into two separate subscription agreements (the “**2016 DECEMBER Subscription Agreements**”) with Mr Low See Ching (“**Mr Low**”) and Mr Tee Wee Sien (“**Mr Tee**”) (together, the “**2016 DECEMBER Subscribers**”), pursuant to which the 2016 DECEMBER Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4,875,000 to be issued by the Company (“**2016 DECEMBER Bonds**”) (of which S\$2,875,000 is subscribed for by Mr Low and S\$2,000,000 is subscribed for by Mr Tee) at a subscription price of 100% of the principal amount of the 2016 DECEMBER Bonds (“**2016 DECEMBER Issuance of Bonds**”). The 2016 DECEMBER Issuance of Bonds have an interest rate of 10% per annum, payable when the 2016 DECEMBER Bonds mature at the end of six months from the date of the 2016 DECEMBER Bonds are issued or such other date as may be agreed between the Company and the 2016 DECEMBER Subscribers. On 5 June 2017, the Company had entered into two supplemental agreements with Mr Low and Mr Tee respectively, to amend the respective repayment dates from 30 June 2017 and 19 July 2017 to 31 August 2018. All other terms in the respective subscription agreements with Mr Low and Mr Tee remained unchanged.

In connection with the 2016 DECEMBER Issuance of Bonds, the Company had, on 27 December 2016, entered into two separate option deeds with the 2016 DECEMBER Subscribers respectively, pursuant to which the Company granted the 2016 DECEMBER Subscribers a total of 740,740,740 share options (“**2016 DECEMBER Options**”), whereby each of the 2016 DECEMBER Subscribers is granted 370,370,370 2016 DECEMBER Options, with each 2016 DECEMBER Option carrying the right to subscribe for one new Share (“**2016 DECEMBER Option Share**”) at the exercise price of S\$0.0162 for each 2016 DECEMBER Option Share.

At the extraordinary general meeting (“**EGM**”) of the Company held on 10 February 2017, shareholders of the Company (“**Shareholders**”) approved the grant of an aggregate of 370,370,370 2016 DECEMBER Options each to Mr Low and Mr Tee.

**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. (continued)**

(b) 2016 DECEMBER Option Shares (continued)

On 7 April 2017, the Company announced that an exercise notice was received from Mr Tee to exercise 185,185,185 2016 DECEMBER Options Shares, together with the amount payable pursuant to the exercise of these Options of S\$3.00 million, in accordance with the Option Deed. The exercise of 185,185,185 2016 DECEMBER Options Shares was completed on 11 April 2017 and 185,185,185 2016 DECEMBER Options Shares were duly allotted and issued to Mr Tee on the same day.

As at 31 December 2017, 555,555,555 2016 DECEMBER Options were not exercised. 370,370,370 2016 DECEMBER Options will expire on 29 December 2019 for Mr Low and 185,185,185 2016 DECEMBER Options will expire on 18 January 2020 for Mr Tee.

(c) 2017 APRIL Option Shares

On 6 April 2017, the Company announced that it had, on 5 April 2017, entered into a subscription agreement (the "**2017 APRIL Subscription Agreement**") with Mr Tang Boo Teck ("**Mr Tang**") (the "**2017 APRIL Subscriber**"), pursuant to which the 2017 APRIL Subscriber agreed to subscribe for bonds in aggregate principal amount of S\$2,000,000 to be issued by the Company ("**2017 APRIL Bonds**") at a subscription price of 100% of the principal amount of the 2017 APRIL Bonds ("**2017 APRIL Issuance of Bonds**"). The 2017 APRIL Issuance of Bonds have an interest rate of 15% per annum, payable when the 2017 APRIL Bonds mature at the end of six months from the date of the 2017 APRIL Bonds are issued or such other date as may be agreed between the Company and the 2017 APRIL Subscriber. On 5 June 2017, the Company entered into a supplemental agreement with Mr Tang to amend the repayment date from 6 October 2017 to 31 August 2018. All other terms in the 2017 APRIL Subscription Agreement remained unchanged.

In connection with the 2017 APRIL Issuance of Bonds, the Company had, on 5 April 2017, entered into an option deed with the 2017 APRIL Subscriber, pursuant to which the Company granted the 2017 APRIL Subscriber 200,000,000 share options ("**2017 APRIL Options**"), with each 2017 APRIL Option carrying the right to subscribe for one new Share ("**2017 APRIL Option Share**") at the exercise price of S\$0.0216 for each 2017 APRIL Option Share.

As at 31 December 2017, none of the 2017 APRIL Options was exercised. The 2017 APRIL Options will expire on 4 April 2020.

Save as disclosed above, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 31 December 2017 and 31 December 2016.

**1 (d)(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 31 December 2017</b>	<b>As at 31 March 2017</b>
<b>Number of issued shares</b>	1,797,792,986	1,612,607,801

The Company did not have any treasury shares as at 31 December 2017 and 31 March 2017.

**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. The Company did not have any 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. The Company did not have any subsidiary holdings during and as at the 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 auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2017.

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

Not applicable.



**6. Loss 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:**

Basic and diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues.

The Company had two categories of potentially dilutive ordinary shares, namely share options and call options as at 31 December 2017 (31 December 2016: four categories of potentially dilutive ordinary shares, namely share options, share awards, convertible loan and call options.)

The following outstanding share options and call options were excluded from the diluted weighted average number of ordinary share calculation as their effect would have been anti-dilutive due to the fact that the exercise price has been higher than the market price of shares:

<b>Date of grant of options</b>	<b>As at 31 December 2017</b>	<b>As at 31 December 2016</b>
22 August 2012	Expired	6,370,000
22 April 2014	6,950,000	13,280,000
17 April 2015	Expired	63,694,267
22 September 2015	Expired	30,000,000
31 December 2015	Expired	33,750,000
27 December 2016	555,555,555	Not Applicable
5 April 2017	200,000,000	Not applicable

	<b>3 Months</b>		<b>9 Months</b>	
	<b>1 Oct 2017 to 31 Dec 2017</b>	<b>1 Oct 2016 to 31 Dec 2016</b>	<b>1 Apr 2017 to 31 Dec 2017</b>	<b>1 Apr 2016 to 31 Dec 2016</b>
Basic and diluted loss per share (S\$ cents)				
Continuing operations	(0.13)	0.09	(0.27)	(0.22)
Discontinued operations	-	(0.15)	(0.05)	(0.35)
<b>Total</b>	<b>(0.13)</b>	<b>(0.06)</b>	<b>(0.32)</b>	<b>(0.57)</b>

The basic and diluted loss per share was computed based on the weighted average number of shares of 1,797,792,986 (31 December 2016: 1,334,830,024) shares for the 3 months ended 31 December ("3M") 2017 and 1,793,752,582 (31 December 2016: 1,262,032,581) shares for the 9 months ended 31 December ("9M") 2017. The diluted loss per share for 3M2017, 3M2016, 9M2017 and 9M2016 were the same as the basic loss per share as the Group has incurred losses in the respective period.

**7. Net liability 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	
	As at 31 December 2017	As at 31 March 2017	As at 31 December 2017	As at 31 March 2017
Net liability value per ordinary share (S\$ cents)	(0.14)	(0.06)	(0.21)	(0.26)

Net liability value per ordinary share is calculated based on 1,797,792,986 shares in issue as at 31 December 2017 (31 March 2017: 1,612,607,801 shares in issue).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (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.

#### **GROUP FINANCIAL PERFORMANCE**

##### **Consolidated Statement of Comprehensive Income**

###### ***Continuing operations***

Revenue for Q3 2018 was S\$3.87 million, as compared to S\$5.81 million for the previous corresponding period ended 31 December 2016 ("**Q3 2017**"). The decline in revenue was attributable to lower sales from the Group's Contract Manufacturing subsidiary, Colibri Assembly (Thailand) Co., Ltd ("**CAT**"), as a result of the slowdown of the hard disk drive industry.

Gross profit declined to S\$1.18 million in Q3 2018, from S\$2.26 million in Q3 2017. Gross profit margin also decreased to 30% in Q3 2018, from 39% in Q3 2017, as a result of lower economies of scale.

The Group recorded other gains (net) of S\$0.05 million in Q3 2018, as compared to other gains (net) of S\$0.85 million in Q3 2017. This was mainly due to the followings:

1. smaller currency translation gain of S\$0.01 million in Q3 2018, as compared to S\$1.08 million in Q3 2017;
2. smaller fair-value gain in Q3 2018 of S\$0.01 million on derivative financial instruments arising from a foreign currency convertible loan and bonds, as compared to S\$0.32 million in Q3 2017;
3. loss on disposal of Artimedia Group of S\$0.19 million in Q3 2018, mainly arising from the reclassification of currency translation difference resulting from the consolidation of Artimedia Group; and
4. higher other income of S\$0.22 million in Q3 2018, as compared to S\$0.05 million in Q3 2017, arising largely from the sale of scrap materials, sorting, rework charges attributable from the Contract Manufacturing business and write back of unclaimed liabilities from past customers largely from the security business after the expiration of the period of limitation of six years.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (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. (continued)**

**Consolidated Statement of Comprehensive Income** (continued)

***Continuing operations*** (continued)

The aggregate distribution, administrative and finance expenses for Q3 2018 increased by S\$0.19 million mainly due to the followings:

1. increase in depreciation expenses of property, plant and equipment and amortisation expenses of intangible assets of S\$1.29 million as a result of the Company's intended disposal of CAT, failing which its operations will be ceased ("**Disposal of CAT**");
2. non-refundable payment of S\$0.32 million by CAT for contractor fee in relation to reinstatement of CAT's factory when the lease ends on expiry date;
3. provision for employees' legal severance costs of \$0.29 million by CAT in connection with the Disposal of CAT;
4. write-back of share-based compensation expenses of S\$0.01 million in Q3 2018 as compared to write-back of S\$0.54 million in Q3 2017, due to resignation of employee and/or lapse of share awards granted; and
5. increase in professional fees of S\$0.52 million in connection with the disposal of Artimedia Group and the proposed acquisition of Mobile Credit Payment Pte. Ltd. as announced by the Company on 31 October 2017.

The aforementioned increase in expenses was partially offset by the followings:

1. decrease in the directors' remuneration of S\$0.12 million mainly due to resignation of an Executive Director, Dr Ofer Miller on 7 September 2017;
2. decrease in overall payroll costs of S\$0.19 million mainly due to a decrease in headcount of the Group;
3. decrease in the overall office operating expenses such as rental, utilities and others of S\$0.12 million;
4. decrease in interest expenses of S\$1.05 million incurred on the Convertible Loan, as the Convertible Loan was fully redeemed in April 2017; and
5. decrease in interest expenses of S\$1.40 million incurred on the Bonds as one of the bonds was repaid on 11 August 2017.

The Group recorded a loss from discontinued operations of S\$0.81 million in Q3 2018, as compared to S\$4.42 million in Q3 2017, in respect of the disposal of the Artimedia Group in August 2017. Please refer to the financial performance of the discontinued operations below.

Due to the factors above, the Group incurred a total net loss of S\$5.65 million in Q3 2018, as compared to S\$7.19 million in Q3 2017.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (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. (continued)**

**Consolidated Statement of Comprehensive Income** (continued)

***Discontinued operations***

Discontinued operations relate to Artimedia Group. The financial results of Artimedia Group continued to be consolidated as part of the Group's results as shown as a separate line as discontinued operations up to the completion of the disposal of Artimedia Group on 11 August 2017.

The financial results of the discontinued operations from April 2017 to the date of completion of the disposal, being 11 August 2017 which was reflected in Q3 2018 was the same as reported in the unaudited results for the second quarter ended 30 September 2017. The fluctuations of the revenue and costs were mainly due to the results of the discontinued operations were not consolidated after the date of disposal.

**Statement of Financial Position**

**Current assets**

Current assets decreased to S\$4.83 million as at 31 December 2017, from S\$14.05 million as at 31 March 2017. This was mainly due to (i) the completion of the disposal of Artimedia Group on 11 August 2017 which resulted in a decrease in the assets of the disposal group classified as held-for-sale of S\$9.08 million; (ii) a decrease in cash and cash equivalents of S\$2.19 million; (iii) a decrease in other current assets of S\$0.10 million; and (iv) a decrease in inventory of S\$0.05 million, partially offset by an increase in trade and other receivables of S\$2.19 million.

Cash and cash equivalents decreased to S\$1.85 million as at 31 December 2017, from S\$4.04 million as at 31 March 2017. Please refer to the Consolidated Statement of Cash Flows for an explanation of the decrease.

Trade and other receivables increased to S\$2.66 million as at 31 December 2017, from S\$0.47 million as at 31 March 2017, mainly due to the outstanding receivable of the cash consideration on the sale of Artimedia Group of S\$2.00 million, which remained outstanding as at 31 December 2017, and payable in two tranches on 10 February 2018 and 10 August 2018. In addition, trade receivables for CAT has increased by S\$0.19 million due to an increase in revenue in December 2017 as compared to March 2017.

Other current assets decreased to S\$0.12 million as at 31 December 2017, from S\$0.21 million as at 31 March 2017, mainly due to a decline in deposits and utilisation of prepayments.

Inventories decreased to S\$0.20 million as at 31 December 2017, from S\$0.25 million as at 31 March 2017, mainly due to the allowance of inventory obsolescence provided during Q3 2018 and the consumption of inventory.

**Non-current assets**

Non-current assets declined to S\$1.18 million as at 31 December 2017, from S\$3.09 million as at 31 March 2017. The decrease was due to decreases of S\$1.60 million in property, plant and equipment and S\$0.31 million in intangible assets, due to depreciation and amortisation changes, respectively. The increase in depreciation and amortisation charges included the Group's accelerated depreciation of the property, plant and equipment of S\$1.17 million and accelerated amortisation charges of S\$0.01 million of intangible assets, respectively, in view of the Disposal of CAT.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (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. (continued)**

#### **Statement of Financial Position** (continued)

##### Total liabilities

Total liabilities decreased to S\$8.57 million as at 31 December 2017, from S\$18.05 million as at 31 March 2017. This was mainly due to the (i) repayment of convertible loan of S\$5.52 million on 16 April 2017; (ii) repayment of the bonds of S\$2.30 million (including interest of S\$0.30 million up to 30 December 2016) on 11 August 2017, which was partially offset by proceeds received from the 2017 APRIL Bonds of S\$2.00 million; and (iii) decrease in liabilities of disposal group classified as held-for-sale of S\$4.08 million, comprising the liabilities of Artimedia Group, which the Group completed the disposal on 11 August 2017.

The Group recorded negative working capital of S\$3.74 million as at 31 December 2017, as compared to S\$4.00 million as at 31 March 2017.

##### Equity

The Group had negative equity of S\$2.56 million as at 31 December 2017, as compared to negative equity of S\$0.92 million as at 31 March 2017. This was mainly due to an increase in share capital upon the exercise of 185,185,185 2016 DECEMBER Option Shares by Mr Tee at S\$3.00 million and an increase in other reserves, partially offset by losses incurred in Q3 2018.

The Company's equity decreased from a deficit of S\$4.16 million as at 31 March 2017 to a smaller deficit of S\$3.81 million as at 31 December 2017, mainly due to an increase in share capital, partially offset by losses incurred in Q3 2018.

Mr Ching Chiat Kwong ("**Mr Ching**"), the controlling shareholder of the Company, had given a letter of financial support to the Company up to 31 August 2018.

#### **Consolidated Statement of Cash Flows**

Net cash used in operating activities for Q3 2018 was S\$5.10 million, mainly due to operating cash flow before changes in working capital of S\$2.93 million as well as an increase in trade and other receivables of S\$4.00 million. The increase was partially offset by increase in inventories of S\$0.05 million, increase in other current assets of S\$0.14 million and increase in trade and other payables of S\$1.64 million.

Net cash from investing activities for Q3 2018 was S\$2.91 million, due to the partial sales proceeds received of S\$3.00 million on the disposal of Artimedia Group which was completed on 11 August 2017, partially offset by an addition to plant and equipment of S\$0.09 million.

Net cash used in financing activities for Q3 2018 was S\$1.46 million, due to the repayment of the Convertible Loan of S\$5.93 million (including interest) and the 2015 DECEMBER Bonds of S\$2.51 million (including interest). The decrease was partially offset by net proceeds of S\$3.00 million from the exercise of 185,185,185 2016 DECEMBER Option Shares, gross proceeds of S\$2.00 million from the 2017 APRIL Bonds and a loan from a third party to the disposal group of S\$2.00 million.

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

Not applicable.

**10. 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.**

Contract Manufacturing Business

As announced by the Company on 25 October 2017, CAT is not renewing the contract with its only customer when it expires in March 2018. The non-renewal of the contract is expected to have a negative impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 March 2018. Further to the above, the Company intends to dispose of CAT, failing which CAT's operations will be ceased. The Company will make the necessary announcement when there is further material development.

Proposed Acquisition

On 31 October 2017, the Company announced that it had, on the same day, entered into a non-binding Heads of Agreement (“HOA”) with Mobile Credit Payment Pte. Ltd. (“MC Payment”) in respect of the proposed acquisition by the Company of all the ordinary shares and convertible bonds issued by MC Payment at a consideration of S\$80.0 million (“Proposed Acquisition”). The consideration for the Proposed Acquisition will be satisfied by the Company issuing new shares in the capital of the Company to vendors of MC Payment at S\$0.014 per new share. The HOA sets out certain terms and conditions which will form the broad basis of the definitive agreements to be entered into in relation to the Proposed Acquisition (“Definitive Agreements”).

On 31 January 2018, the Company announced that the Company and the Target have mutually agreed in writing to extend the exclusivity period of the HOA for a period of three (3) months. Accordingly, the exclusivity period of the HOA shall expire on 30 April 2018, unless further extended by the Company and the Target.

Please refer to the Company's announcements dated 31 October 2017 and 31 January 2018 in relation to the Proposed Acquisition for further information. The Company will make announcement when there is any material development.

Shareholders should note that the HOA is not legally binding (save for certain terms, including the exclusivity period, non-competition and non-solicitation, warranties and confidentiality) and does not address all the material terms of the Proposed Acquisition. Such terms will be addressed in the Definitive Agreements, including a sale and purchase agreement, to be entered into between the Company and the Vendors. There is no certainty or assurance that the Definitive Agreements will be executed and/or the Proposed Acquisition will materialised.

**11. Dividends.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended.

### 13. Use of proceeds

#### a) Use of net proceeds from the Disposal

On 11 August 2017, the Company completed the Disposal and received the first tranche payment of the cash consideration of S\$3.00 million (“**First Tranche Consideration**”), out of the total consideration of S\$5.00 million in respect of the Disposal. After deducting expenses incurred in respect of the Disposal, the net proceeds from the First Tranche Consideration amounted to approximately S\$2.77 million (“**Net Proceeds from the First Tranche Consideration**”).

The following is a summary of the use of the Net Proceeds from the First Tranche Consideration:

	S\$'million
<b>Net Proceeds from the First Tranche Consideration</b>	2.77
<b>Use of net proceeds:</b>	
<u>As previously announced by the Company on 11 August 2017 and 15 January 2018</u>	
Repayment of the 2015 December Bonds (inclusive of interest) due to Ms Poh Chew Hua Christine	(2.51)
Amount utilised for working capital purposes	
- Expenses incurred in connection with the Proposed Acquisition	(0.06)
<u>As at the date of this announcement</u>	
Amount utilised for working capital purposes	
- Administrative expenses	(0.10)
- Expenses incurred in connection with the Proposed Acquisition	(0.04)
<b>Balance as at the date of this announcement</b>	<u><u>0.06</u></u>

The Company will make the necessary announcements as and when the balance of the Net Proceeds from the First Tranche Consideration is materially disbursed.

**14. If the group has obtained a general mandate from shareholders for IPTs, 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.**

The Company does not have a general mandate from shareholders for interested person transactions.

**15. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual.**

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the interim financial results for the third quarter ended 31 December 2017 to be false or misleading in any material aspect.

**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 all the required undertakings under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

**BY ORDER OF THE BOARD**

**Harry Ng**

Non-Executive Chairman and Independent Director

9 February 2018