



artivision
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Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

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			12 Months		
	1 Jan 2017 to 31 Mar 2017	1 Jan 2016 to 31 Mar 2016	+/-	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Audited) S\$'000	%
Revenue	6,225	3,824	63	21,751	11,349	92
Cost of sales	(4,990)	(3,450)	45	(17,972)	(9,390)	91
Gross profit	1,235	374	230	3,779	1,959	93
Gross profit margin	20%	10%		17%	17%	
Other gains - net	698	1,030	(32)	1,412	3,865	(63)
Expenses						
- Distribution	(560)	(519)	8	(2,123)	(1,945)	9
- Administrative	(9,249)	(2,467)	275	(14,815)	(8,310)	78
- Finance	(783)	(1,222)	(36)	(4,054)	(3,333)	22
Share of loss of joint venture	(11)	(43)	(74)	(55)	(43)	28
Loss before income tax	(8,670)	(2,847)	205	(15,856)	(7,807)	103
Income tax expense	-	-	-	-	-	-
Net loss for the period/year	(8,670)	(2,847)	205	(15,856)	(7,807)	103
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(224)	47	N.M.	(706)	(266)	165
Total comprehensive loss	(8,894)	(2,800)	218	(16,562)	(8,073)	105

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 for the period/year is arrived at after (charging)/crediting the following:

	3 Months			12 Months		
	1 Jan 2017 to 31 Mar 2017	1 Jan 2016 to 31 Mar 2016	+/-	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Audited) S\$'000	%
Depreciation of property, plant and equipment	(158)	(160)	(1)	(626)	(651)	(4)
Amortisation of intangible assets	(68)	(67)	1	(271)	(264)	3
Allowance for inventories obsolescence	-	(1)	(100)	-	(15)	(100)
Loss on disposal of property, plant and equipment	(8)	(13)	(38)	(11)	(12)	(8)
Impairment loss on assets held-for-sale	(6,887)	-	N.M.	(6,887)	-	N.M.
<u>Other gains/(losses) – net</u>						
Currency translation gains/(losses) - net	695	(43)	N.M.	1,633	(37)	N.M.
Fair value changes on derivative financial instruments	(9)	1,062	N.M.	314	3,844	(92)
Interest income from bank and fixed deposits	2	3	(33)	16	8	100
Impairment loss on available-for-sale financial asset	-	-	-	(613)	-	N.M.
Others	10	8	25	62	50	24
	698	1,030	(32)	1,412	3,865	(63)
<u>Finance expenses</u>						
Interest expense on convertible loan	(588)	(588)	-	(2,347)	(2,284)	3
Interest expense on bonds	(195)	(634)	(69)	(1,707)	(1,049)	63
	(783)	(1,222)	(36)	(4,054)	(3,333)	22

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 Mar 2017 (Unaudited) S\$'000	31 Mar 2016 (Audited) S\$'000	31 Mar 2017 (Unaudited) S\$'000	31 Mar 2016 (Audited) S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,038	3,469	2,846	974
Available-for-sale financial asset	-	613	-	613
Trade and other receivables	471	8,242	179	4,433
Other current assets	211	394	105	120
Inventories	252	288	-	-
	4,972	13,006	3,130	6,140
Assets held-for-sale	9,078	-	1	-
	14,050	13,006	3,131	6,140
Non-current assets				
Other receivables	-	-	5,000	11,986
Available-for-sale financial asset	.*	.*	.*	.*
Investments in subsidiaries	-	-	1,315	1,316
Investment in a joint venture	-	-	-	-
Property, plant and equipment	2,657	3,136	6	9
Intangible assets	429	705	.*	2
	3,086	3,841	6,321	13,313
Total assets	17,136	16,847	9,452	19,453
LIABILITIES				
Current liabilities				
Trade payables and other liabilities	1,264	3,609	899	875
Derivative financial instruments	13	327	13	327
Convertible loan	5,523	3,852	5,523	3,852
Bonds payable	7,175	7,496	7,175	7,496
Loans from shareholder	-	2,750	-	2,750
	13,975	18,034	13,610	15,300
Liabilities held-for-sale	4,078	-	-	-
	18,053	18,034	13,610	15,300
Total liabilities	18,053	18,034	13,610	15,300
NET (LIABILITIES)/ASSETS	(917)	(1,187)	(4,158)	4,153

* - 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 Mar 2017 (Unaudited) S\$'000	31 Mar 2016 (Audited) S\$'000	31 Mar 2017 (Unaudited) S\$'000	31 Mar 2016 (Audited) S\$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	68,787	51,402	68,787	51,402
Other reserves	1,642	2,901	2,538	3,091
Accumulated losses	(71,346)	(55,490)	(75,483)	(50,340)
Total equity	(917)	(1,187)	(4,158)	4,153

The assets held-for-sale refers to Artimedia Pte. Ltd. and its wholly-owned subsidiary, Artimedia IL (the "Artimedia Group" or the "Proposed Disposal Group").

The major classes of assets and liabilities held-for-sale under FRS 105 as at 31 March 2017 are as follows:

	Group 31 Mar 2017 (Unaudited) S\$'000
Assets held-for-sale	
Plant and equipment	94
Intangible assets	44
Trade and other receivables	11,905
Other current assets	193
Cash and cash equivalents	3,729
	<u>15,965</u>
Less: Impairment of assets held-for-sale	(6,887)
	<u>9,078</u>
Liabilities held-for-sale	
Trade and other liabilities	4,078
	<u>4,078</u>
Net assets held-for-sale	<u>5,000</u>

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

	As at 31 Mar 2017		As at 31 Mar 2016	
	(Unaudited)		(Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<u>Amount repayable in one (1) year or less, or on demand</u>				
Loans from shareholder	-	-	-	2,750
Convertible loan	-	5,523	-	3,852
Bonds payable	-	7,175	-	7,496
<u>Amount repayable after one (1) year</u>	-	-	-	-

Details of any collateral

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

Loans from Shareholder as at 31 March 2016

Loans from shareholder as at 31 March 2016 related to an amount due to a then-shareholder, Algotech Holdings Ltd. The amount had been fully repaid as at 31 March 2017.

Convertible Loan

The convertible loan bears interest at 15% per annum and is unsecured and repayable in one lump sum on 16 April 2017. The convertible loan can be converted into a maximum of 42,462,845 shares in the capital of the Company (the "Conversion Shares") at a conversion price of US\$0.0942 per Conversion Share. The amount had been fully repaid on 16 April 2017.

Bonds Payable

Bonds payable refer to bonds comprising the following:

- a) an aggregate principal amount of S\$2,300,000 as at 31 March 2017 (S\$4,500,000 as at 31 March 2016), which bears interest at 15% per annum, is unsecured and repayable in one lump sum on 30 June 2017;
- b) an aggregate principal amount of S\$2,875,000 as at 31 March 2017 (nil as at 31 March 2016), which bears interest at 10% per annum, is unsecured and repayable in one lump sum on 30 June 2017; and
- c) an aggregate principal amount of S\$2,000,000 as at 31 March 2017 (nil as at 31 March 2016), which bears interest at 10% per annum, is unsecured and repayable in one lump sum on 19 July 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31 Mar 2017 (Unaudited) S\$'000	12 months ended 31 Mar 2016 (Audited) S\$'000
Cash flows from operating activities		
Net loss	(15,856)	(7,807)
Adjustments for		
- Amortisation of intangible assets	271	264
- Depreciation of property, plant and equipment	626	651
- Unrealised currency translation losses	163	53
- Interest income	(16)	(8)
- Interest expense on convertible loan	2,347	2,284
- Interest expense on bonds	1,707	1,049
- Fair value changes on derivative financial instruments	(314)	(3,844)
- Impairment loss on assets held-for-sale	6,887	-
- Impairment loss on available-for-sale financial asset	613	-
- Loss on disposal of property, plant and equipment	11	12
- Share of loss of a joint venture	55	43
- (Write-back)/accrual of share-based compensation expenses	(553)	1,220
	<u>(4,059)</u>	<u>(6,083)</u>
Change in working capital:		
- Inventories	53	122
- Trade and other receivables	(3,520)	(7,070)
- Other current assets	118	(46)
- Trade payables and other liabilities	(235)	2,144
	<u>(7,643)</u>	<u>(10,933)</u>
Cash used in operations	<u>(7,643)</u>	<u>(10,933)</u>
Interest received	16	8
Income tax (paid)/refund	(48)	4
Net cash used in operating activities	<u>(7,675)</u>	<u>(10,921)</u>
Cash flows used in investing activities		
Additions to property, plant and equipment	(84)	(170)
Additions to intangible assets	(36)	(44)
Sales proceeds on disposal of property, plant and equipment	4	23
Net cash used in investing activities	<u>(116)</u>	<u>(191)</u>
Cash flows from financing activities		
Proceeds from the renounceable and non-underwritten Rights Shares	10,307	-
Interest paid	(824)	(413)
Share issue expenses	(172)	-
Redemption of bond payable	(4,000)	-
Proceeds from share placement	4,500	-
Proceeds from issuance of bonds	2,000	7,700
Proceeds from convertible loan	-	5,386
Net cash from financing activities	<u>11,811</u>	<u>12,673</u>

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)

	12 months ended 31 Mar 2017 (Unaudited) S\$'000	12 months ended 31 Mar 2016 (Audited) S\$'000
Net increase in cash and cash equivalents	4,020	1,561
Cash and cash equivalents		
Beginning of financial year	3,469	1,945
Effects of currency translation on cash and cash equivalents	278	(37)
Cash and cash equivalents of assets held-for-sale	(3,729)	-
End of financial year	4,038	3,469

*- 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.

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
(Audited)						
Balance as at 1 April 2015	50,731	76	2,542	-*	(47,683)	5,666
Loss for the year	-	-	-	-	(7,807)	(7,807)
Other comprehensive loss for the year	-	(266)	-	-	-	(266)
Total comprehensive loss for the year	-	(266)	-	-	(7,807)	(8,073)
Issue of new shares pursuant to employee share award scheme	671	-	(671)	-	-	-
Value of employee services received for issue of share options and share awards	-	-	1,220	-	-	1,220
Balance as at 31 March 2016	51,402	(190)	3,091	-*	(55,490)	(1,187)
(Unaudited)						
Balance as at 1 April 2016	51,402	(190)	3,091	-*	(55,490)	(1,187)
Loss for the year	-	-	-	-	(15,856)	(15,856)
Other comprehensive loss for the year	-	(706)	-	-	-	(706)
Total comprehensive loss for the year	-	(706)	-	-	(15,856)	(16,562)
Write-back value of employee services received for issue of share options and share awards	-	-	(553)	-	-	(553)
Share placement	4,500	-	-	-	-	4,500
Renounceable and non-underwritten Rights Issue	13,057	-	-	-	-	13,057
Share issue expenses	(172)	-	-	-	-	(172)
Balance as at 31 March 2017	68,787	(896)	2,538	-*	(71,346)	(917)

*- 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
Balance as at 1 April 2015	50,731	2,542	-*	(48,823)	4,450
Total comprehensive loss for the year	-	-	-	(1,517)	(1,517)
Issue of new shares pursuant to employee share award scheme	671	(671)	-	-	-
Value of employee services received for issue of share options and share awards	-	1,220	-	-	1,220
Balance as at 31 March 2016	51,402	3,091	-*	(50,340)	4,153
Balance as at 1 April 2016	51,402	3,091	-*	(50,340)	4,153
Total comprehensive loss for the year	-	-	-	(25,143)	(25,143)
Write-back of value of employee services received for issue of share options and share awards	-	(553)	-	-	(553)
Share placement	4,500	-	-	-	4,500
Renounceable and non-underwritten Rights Issue	13,057	-	-	-	13,057
Share issue expenses	(172)	-	-	-	(172)
Balance as at 31 March 2017	68,787	2,538	-*	(75,483)	(4,158)

*- 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
Issued and fully paid-up ordinary shares		
Balance as at 1 January 2017	1,334,830,024	64,338
Share placement	277,777,777	4,500
Share issue expenses	-	(51)
Balance as at 31 March 2017	1,612,607,801	68,787

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 March 2017 was 887,285,007 (31 March 2016: 199,347,267), comprising the following:-

(a) Employee share options and employee share awards

As at 31 March 2017, the total number of outstanding employee share options and employee share awards were 18,800,000 and 300,000 respectively (31 March 2016: 37,853,000 and 34,050,000 respectively).

(b) Conversion Shares and APRIL Option Shares

On 17 April 2015, the Company entered into a convertible loan agreement (the "**Loan Agreement**") with NCL Housing Pte. Ltd. (the "**Lender**"), pursuant to which the Lender agreed to grant the Company loans of up to US\$4.00 million in principal amount (the "**Convertible Loan**"), convertible into 42,462,845 new Shares (the "**Convertible Shares**") at a conversion price of US\$0.0942 per Convertible Share at any time after the first drawdown date. The Convertible Loan was fully drawn down in April 2015.

As at 31 March 2017, none of the Convertible Loan was converted. The Convertible Loan was fully repaid on 16 April 2017.

Pursuant to the Loan Agreement, the Company has granted the Lender the right to subscribe for 21,231,422 new Shares (the "**APRIL Option Shares**") at an exercise price of US\$0.0942 for each APRIL Option Share, subject to a maximum subscription amount of approximately US\$2.00 million (the "**APRIL Options**").

As at 31 March 2017, none of the APRIL Options was exercised. The APRIL Options expired on 16 April 2017.

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)

(c) SEPTEMBER Option Shares

On 22 September 2015, the Company entered into a subscription agreement (the "**SEPTEMBER Subscription Agreement**") with Mr Ho Kok Fi John (the "**First Subscriber**") and Mr Lim Chye Huat @ Bobby Lim Chye Huat (the "**Second Subscriber**") (together, the "**SEPTEMBER Subscribers**"), pursuant to which the SEPTEMBER Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4.00 million to be issued by the Company ("**SEPTEMBER Bonds**") at a subscription price of 80% of the principal amount of the SEPTEMBER Bonds ("**SEPTEMBER Issuance of Bonds**"). The SEPTEMBER Bonds are interest-free. On 21 September 2016, the Company redeemed S\$4.00 million in aggregate principal amount of the SEPTEMBER Bonds at their principal amount at the redemption date. Following such redemption, the SEPTEMBER Bonds were cancelled and there were no SEPTEMBER Bonds outstanding.

In connection with the SEPTEMBER Issuance of Bonds, the Company had, on the same day, entered into an option deed with the SEPTEMBER Subscribers, pursuant to which the Company granted the SEPTEMBER Subscribers a total of 30,000,000 share options ("**SEPTEMBER Options**") (of which 22,500,000 SEPTEMBER Options were granted to the First Subscriber and 7,500,000 SEPTEMBER Options are granted to the Second Subscriber), with each SEPTEMBER Option carrying the right to subscribe for one new Share ("**SEPTEMBER Option Share**") at the exercise price of S\$0.10 for each SEPTEMBER Option Share.

As at 31 March 2017, none of the SEPTEMBER Options was exercised. The SEPTEMBER Options will expire on 21 September 2017.

(d) 2015 DECEMBER Option Shares

On 31 December 2015, the Company entered into a subscription agreement (the "**2015 DECEMBER Subscription Agreement**") with Mr Low See Ching ("**Mr Low**") and Ms Poh Chew Hua Christine ("**Ms Poh**") (together, the "**2015 DECEMBER Subscribers**"), pursuant to which the 2015 DECEMBER Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4.50 million to be issued by the Company ("**2015 DECEMBER Bonds**") at a subscription price of 100% of the principal amount of the 2015 DECEMBER Bonds ("**2015 DECEMBER Issuance of Bonds**"). The 2015 DECEMBER Bonds have an interest rate of 15% per annum, payable when the 2015 DECEMBER Bonds mature.

On 9 November 2016, the Company had obtained the agreement from Ms Poh to extend the repayment period for the amount of S\$2.00 million due to Ms Poh (including interests of S\$300,000) from 30 December 2016 to 30 June 2017, on the same terms as the subscription agreement dated 31 December 2015 (including interest rate of 15% per annum). On 29 December 2016, the Company had announced that the aggregate principal amount of S\$2.50 million and the interest portion of S\$375,000 due to Mr Low was redeemed by way of set-off against a new bond subscription agreement subscribed for by Mr Low on 27 December 2016 (see point 1(d)(ii)(e) below).

In connection with the 2015 DECEMBER Issuance of Bonds, the Company had, on the same day, entered into an option deed with the 2015 DECEMBER Subscribers, pursuant to which the Company granted the 2015 DECEMBER Subscribers a total of 33,750,000 share options ("**2015 DECEMBER Options**") (of which 18,750,000 2015 DECEMBER Options were granted to Mr Low and 15,000,000 2015 DECEMBER Options were granted to Ms Poh), with each 2015 DECEMBER Option carrying the right to subscribe for one new Share ("**2015 DECEMBER Option Share**") at the exercise price of S\$0.10 for each 2015 DECEMBER Option Share.

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)

(d) 2015 DECEMBER Option Shares (continued)

As at 31 March 2017, none of the 2015 DECEMBER Options was exercised. The 2015 DECEMBER Options will expire on 30 December 2017.

(e) 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 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 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.

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 approved the grant of an aggregate of 370,370,370 2016 DECEMBER Options each to Mr Low and Mr Tee.

As at 31 March 2017, none of the 2016 DECEMBER Options was exercised. 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\$3.0 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. The balance of the 2016 DECEMBER Options will expire on 29 December 2019 for Mr Low and 18 January 2020 for Mr Tee.

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

	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Number of issued shares	1,612,607,801	899,627,918

The Company did not have any treasury shares as at 31 March 2017 and 31 March 2016.

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 2016.

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:

(a) Basic loss per share based on the weighted average number of ordinary shares on issue; and

Basic 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.

	3 Months		12 Months	
	1 Jan 2017 to 31 Mar 2017	1 Jan 2016 to 31 Mar 2016	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016
Net loss attributable to equity holders of the Company (S\$'000)	8,670	2,847	15,856	7,807
Weighted average number of ordinary shares outstanding for basic loss per share	1,488,808,076	899,627,918	1,317,949,826	892,283,656
Basic loss per share (S\$ cents)	0.58	0.32	1.20	0.87

(b) Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)

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 four categories of potentially dilutive ordinary shares, namely share options, share awards, convertible loan and call options as at 31 March 2017 and 31 March 2016.

For share options and share awards, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised and when the condition for issuance of share awards is met at the end of reporting date, which was also the end of the vesting period. The number of shares that could have been issued upon the exercise of all dilutive share options, which condition is fulfilled less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

	3 Months		12 Months	
	1 Jan 2017 to 31 Mar 2017	1 Jan 2016 to 31 Mar 2016	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016
Net loss used to determine diluted loss per share (S\$'000)	8,670	2,847	15,856	7,807
Weighted average number of ordinary shares outstanding for basic loss per share	1,488,808,076	899,627,918	1,317,949,826	892,283,656
Adjustment for				
- Share options	-	-	-	1,818,011
- Call options	666,666,666	-	166,412,988	-
	2,155,474,742 [^]	899,627,918 [^]	1,484,362,814 [^]	894,101,667 [^]

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:
(continued)

(b) Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)
(continued)

The convertible loans and the following outstanding share 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:

Date of grant of options	As at 31 March 2017	As at 31 March 2016
23 June 2011	Expired	8,990,000
23 December 2011	Expired	4,563,000
22 August 2012	6,120,000	6,620,000
22 April 2014	12,680,000	9,081,530
17 April 2015	63,694,267	63,694,267
22 September 2015	30,000,000	30,000,000
18 December 2015	300,000	Nil
31 December 2015	33,750,000	33,750,000

[^] In the current financial year, although the options granted were dilutive in nature, the diluted loss per share was computed based on the weighted average number of shares of 1,488,808,076 (31 March 2016: 899,627,918) shares for the 3 months ended 31 March 2017 and 1,317,949,826 (31 March 2016: 882,283,656) shares for the 12 months ended 31 March 2017 as the Group had incurred losses.

	3 Months		12 Months	
	1 Jan 2017 to 31 Mar 2017	1 Jan 2016 to 31 Mar 2016	1 Apr 2016 to 31 Mar 2017	1 Apr 2015 to 31 Mar 2016
Diluted loss per share (S\$ cents)	0.58	0.32	1.20	0.87

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period/year during which the options were outstanding.

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

	Group		Company	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Net (liability)/asset value per ordinary share (S\$ cents)	(0.06)	(0.13)	(0.26)	0.46

Net (liability)/asset value per ordinary share is calculated based on 1,612,607,801 shares in issue as at 31 March 2017 (31 March 2016: 899,627,918 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

Revenue for the 12 months ended 31 March 2017 ("**FY 2017**") increased to S\$21.75 million from S\$11.35 million for the previous corresponding 12 months ended 31 March 2016 ("**FY 2016**"). This was driven mainly by the Group's Media Solutions subsidiary, Artimedia Technologies Ltd ("**Artimedia IL**"), which generated revenue of S\$14.54 million in FY 2017 as compared to S\$3.66 million in FY 2016. The Media Solutions business accounted for approximately 67% of the Group's total revenue for FY 2017, up from approximately 32% of the Group's total revenue for FY 2016. The increase in revenue was due to the increase in the number of usage of the media technology by more advertisers and advertising agencies.

The Group's Contract Manufacturing subsidiary, Colibri Assembly (Thailand) Co., Ltd ("**CAT**"), generated S\$7.21 million in revenue in FY 2017 as compared to S\$7.69 million in FY 2016. CAT accounted for approximately 33% of the Group's total revenue for FY 2017. The decline in revenue was due to the weakening of the hard disk drive industry, which resulted in lower volume of sales.

Gross profit increased to S\$3.78 million in FY 2017 from S\$1.96 million in FY 2016 mainly due to the following:

1. gross profit of S\$1.10 million in FY 2017 from Artimedia IL as compared to a gross loss of S\$0.74 million in FY 2016; and
2. gross profit of S\$2.68 million from CAT in FY 2017 as compared to S\$2.70 million in FY 2016.

The improvement in gross profit from Artimedia IL was due to better economies of scale as a result of the increase in revenue from Media Solution business.

There was a change in the Group's revenue mix, with the Media Solutions business accounting for approximately 67% of the Group's total revenue in FY 2017 as compared to approximately 32% in FY 2016.

The Group recorded smaller other gains (net) of S\$1.41 million in FY 2017 as compared to S\$3.87 million in FY 2016. This was mainly due to offsetting effects of the following:

1. foreign exchange gains of S\$1.63 million in FY 2017 as compared to foreign exchange losses of S\$0.04 million in FY 2016. The foreign exchange gains were mainly attributable to the US Dollars denominated intercompany loan from the Company and Artimedia Pte. Ltd. to Artimedia IL (whose functional currency is Israeli Shekel) as the Israeli Shekel strengthened against US Dollars in FY 2017;
2. smaller fair-value gain in FY 2017 of S\$0.31 million on derivative financial instruments arising from a foreign currency convertible loan and bonds, as compared to S\$3.84 million in FY 2016; and
3. partially offset by impairment loss of S\$0.61 million in FY 2017 (FY 2016: NIL) for an available-for-sale financial asset, namely the Group's investment in equity securities of Nyxio Technologies Corporation ("**Nyxio**"). The impairment was made on the basis that Nyxio's trade prices had been below cost for a prolonged period and that there had been no trading activity from June 2016 to late January 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)

The aggregate distribution, administrative and finance expenses for FY 2017 rose by S\$7.40 million mainly due to:

1. impairment on the assets held-for-sale of S\$6.89 million. This is based on a preliminary valuation by a professional independent valuer of the Proposed Disposal Group;
2. increases in overall payroll costs of S\$1.11 million mainly due to an increase in headcount resulting from increased activities for the Media Solutions business;
3. increases in professional fees of approximately S\$0.46 million mainly relating to legal fees and software sub-contractors for the Media Solutions business;
4. write-back of share-based compensation expenses of S\$0.55 million in FY 2017 as share awards granted were not vested given that the vesting condition was not met, compared to share-based compensation expenses of S\$1.22 million in FY 2016; and
5. increases in interest expenses of S\$0.72 million incurred from the Convertible Loan, SEPTEMBER Bonds, 2015 DECEMBER Bonds and 2016 DECEMBER Bonds.

Due to the factors above, the Group incurred a net loss of S\$15.86 million in FY 2017 compared to a net loss of S\$7.81 million in FY 2016.

Statement of Financial Position

Current assets

Current assets increased to S\$14.05 million as at 31 March 2017, from S\$13.01 million as at 31 March 2016. This was mainly due to the growing business of the Artimedia Group, the classification of the Proposed Disposal Group's total assets as current assets held-for-sale of S\$9.08 million, and an increase in cash and cash equivalents of S\$0.57 million. The overall increase in current assets was mitigated by declines of S\$0.61 million in available-for-sale financial asset, S\$7.77 million in trade and other receivables, S\$0.18 million in other current assets and S\$0.04 million in inventories.

Cash and cash equivalents increased to S\$4.04 million as at 31 March 2017 from S\$3.47 million as at 31 March 2016. The increase was mainly due to funds raised from corporate exercises, namely (i) net proceeds of S\$10.19 million from the renounceable and non-underwritten Rights Issue completed in May 2016 ("**Rights Issue**"); (ii) net proceeds of S\$4.43 million from the share placement exercise of 277,777,777 new shares in the Company, completed in January and February 2017 ("**Share Placement**"); and (iii) proceeds of S\$2.0 million received from the 2016 December Bonds. The increase was partially offset by the use of S\$7.68 million to fund the Group's operating activities, redemption of the SEPTEMBER Bonds of S\$4.00 million, payment of S\$0.82 million in interest expenses on convertible loan, and reclassification of cash and cash equivalents of the Proposed Disposal Group to assets held-for-sale.

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)

Current assets (continued)

The available-for-sale financial asset is in relation to the Group's investment in Nyxio, and was fully provided for as at 31 March 2017.

Trade and other receivables decreased to S\$0.47 million as at 31 March 2017, from S\$8.24 million as at 31 March 2016. The decrease was mainly due to reclassification of trade and other receivables of the Proposed Disposal Group to assets held-for-sale. Accordingly, trade receivables as at 31 March 2017 largely relates to the Contract Manufacturing business.

The assets held-for-sale comprised the assets of the Artimedia Group. As per the Company's announcements on SGXNET on 14 December 2016 and 17 April 2017, the Artimedia Group was available for sale but the sale did not materialize as at 31 March 2017.

Non-current assets

Non-current assets declined to S\$3.09 million as at 31 March 2017, from S\$3.84 million as at 31 March 2016, due to decreases of S\$0.48 million in property, plant and equipment and S\$0.27 million in intangible assets.

Property, plant and equipment decreased to S\$2.66 million as at 31 March 2017, from S\$3.14 million as at 31 March 2016, mainly due to the reclassification of plant and equipment of the Proposed Disposal Group to current assets and depreciation charges of S\$0.63 million. This was partially offset by the addition of office equipment, furniture and fittings of S\$0.08 million by CAT.

Intangible assets decreased to S\$0.43 million as at 31 March 2017, from S\$0.71 million as at 31 March 2016, due to the reclassification of intangible assets of the Proposed Disposal Group to current assets and amortisation charges of S\$0.27 million.

Current liabilities

Current liabilities increased marginally to S\$18.05 million as at 31 March 2017, from S\$18.03 million as at 31 March 2016. This was mainly due to an increase of S\$1.67 million in respect of the Convertible Loan due to the amortisation of the interest component of the Convertible Loan, partially offset by (i) the reclassification of liabilities of the Proposed Disposal Group of S\$4.08 million to the liabilities held-for-sale; (ii) decrease in trade payables and other liabilities of S\$2.35 million; (iii) decrease in derivative financial instruments of S\$0.32 million; (iv) decrease in bonds payable of S\$0.32 million; and (v) decrease in loans from shareholder of S\$2.75 million.

The Convertible Loan of S\$5.52 million as at 31 March 2017 and its corresponding fair-value derivative financial instruments, which are embedded in the Convertible Shares and APRIL Option Shares, are accounted for in the current liabilities. Pursuant to the Loan Agreement, the Lender is able to convert the Convertible Loan into Convertible Shares once the Convertible Loan has been fully drawn down till the maturity date on 16 April 2017 and the Lender has the right to subscribe for APRIL Option Shares before the maturity date on or before 16 April 2017. The Convertible Loan had been fully repaid on 16 April 2017, and the APRIL Options had expired on the same date.

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)

Current liabilities (continued)

Trade payables and other liabilities declined to S\$1.26 million as at 31 March 2017, from S\$3.61 million as at 31 March 2016. The decrease was mainly due to reclassification of trade payables and other liabilities of the Proposal Disposal Group held-for-sale.

Bonds payable decreased to S\$7.18 million as at 31 March 2017, from S\$7.50 million as at 31 March 2016. Bonds payable as at 31 March 2017 consist of the 2015 DECEMBER Bonds and the 2016 DECEMBER Bonds, and their corresponding derivative financial instruments of S\$0.01 million for option shares were recorded as current liabilities. Pursuant to the subscription agreements, the subscribers of the SEPTEMBER Bonds, the 2015 DECEMBER Bonds and the 2016 DECEMBER Bonds have the right to subscribe for the option shares before maturity dates of 21 September 2017, 30 December 2017, and 29 December 2019 and 18 January 2020, respectively. Please refer to section 1(d)(ii)(d) and (e) for further details on the 2015 DECEMBER Bonds and the 2016 DECEMBER Bonds, respectively.

Loans of S\$2.75 million from a shareholder as at 31 March 2016 were fully repaid in May 2016.

The Group had net current liabilities of S\$4.00 million as at 31 March 2017, mainly due impairment of assets held-for-sale of S\$6.89 million.

Equity

The Group's equity declined from S\$1.19 million as at 31 March 2016 to a deficit of S\$0.92 million as at 31 March 2017. This was mainly due to losses incurred in FY 2017 and a reduction in other reserves, partially offset by an increase in share capital arising from the Rights Issue of S\$12.94 million and Share Placement of S\$4.45 million.

The Company's equity declined from S\$4.15 million as at 31 March 2016 to a deficit of S\$4.16 million as at 31 March 2017, mainly due to losses incurred in FY 2017, as well as the provision for impairment of the assets held-for-sale.

Mr Ching Chiat Kwong, the controlling shareholder of the Company, had indicated that he will undertake to provide adequate funds to the Group to enable the Group to pay its liabilities as and when they fall due and continue its operation on a going concern basis, up to 31 August 2018. The Group will continue to explore all options to raise funds to strengthen its balance sheet to bring the Group's equity to a positive position.

Consolidated Statement of Cash Flows

Net cash used in operating activities for FY 2017 was S\$7.68 million, mainly due to losses incurred by the Group. Net cash used in investing activities for FY 2017 was S\$0.11 million, due to the addition of property, plant and equipment and intangible assets for CAT and Artimedia IL. Net cash from financing activities for FY 2017 was S\$11.81 million, due to gross proceeds of S\$10.31 million from the Rights Issue, gross proceeds of S\$4.50 million from the Share Placement and gross proceeds of S\$2.00 million from the 2016 December Bond from Mr Tee. The increase was partially offset by the redemption of the S\$4.00 million SEPTEMBER Bonds, share issue expenses of S\$0.17 million incurred for the Rights Issue and for the Share Placement and payment of interest of S\$0.82 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.

The Group had fully repaid the Convertible Loan and interests of S\$5.93 million in April 2017. The Group is exploring all options to raise funds to strengthen its balance sheet and to repay the balance of the outstanding bonds plus interests, amounting to an aggregate of S\$9.82 million due after the financial year ended 31 March 2017. The Group will continue to explore with interested purchasers for the Artimedia Group, in order to bring in cashflow to the Group.

Media Solutions Business

Since the lapse of the Term Sheet on the sale of the Artimedia Group on 13 April 2017, as announced by the Company on 17 April 2017, the Group continues to explore with other potential purchasers for the proposed disposal of the Artimedia Group. The Board believes that to maximise the potential and profitability of Artimedia Group would require substantial capital. Such proposed disposal of the Artimedia Group will free the Group from such future cashflow requirements and bring in cashflow (the sale consideration) to the Group.

Contract Manufacturing Business

Colibri Assembly (Thailand) Co., Ltd. ("**CAT**") is a contract manufacturer of disk drive filter technology products for a US-based multinational corporation in Thailand. The global hard disk drive business is experiencing a slowdown. Barring any unforeseen circumstances, CAT is expecting a lower production volume and revenue due to lower business allocations from the end-customers. This may have a significant impact on CAT's revenue and profitability.

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) Proceeds from Share Placement

The Company issued and allotted an aggregate of 277,777,777 new shares in the capital of the Company to Ms Poh Chew Hua Christine and Mr Ching Chiat Kwong on 18 January 2017 and 13 February 2017 respectively, pursuant to the Share Placement. Net proceeds from the Share Placement of approximately S\$4.43 million have been fully utilised as follows:

	S\$'million
Net proceeds from the Share Placement	4.43
<u>As announced by the Company on 13 February 2017 and 17 April 2017</u>	
Amount utilised as advance payments to a publisher in Israel for purchase of video viewership for contract signed by the Company's subsidiary, Artimedia Technologies Ltd in April 2015	(2.88)
Amount utilised for working capital purposes	
- Distribution expenses	(0.05)
- Administrative expenses	(1.13)
Partial redemption of the Convertible Loan's interest due on 16 April 2017	(0.37)
Balance as at the date of this announcement	0.00

13. Use of proceeds (continued)

b) Proceeds from 2016 DECEMBER BONDS

The Company issued the 2016 DECEMBER Bonds, comprising bonds of S\$2,875,000 (issued on 31 December 2016) and S\$2,000,000 (issued on 19 January 2017) pursuant to the respective 2016 DECEMBER Subscription Agreements dated 27 December 2016 (please refer to section 1(d)(ii) part (e) for details of the 2016 DECEMBER Issuance of Bonds).

Net proceeds from the 2016 DECEMBER Bonds of approximately S\$4.85 million have been fully utilised as follows:

	S\$'million
Net proceeds from the 2016 December Bonds	4.85
<u>As announced by the Company on 29 December 2016 and 17 April 2017</u>	
Partial redemption of the 2015 December Bonds due on 30 December 2016	(2.50)
Partial payment of interest charge in respect of the 2015 DECEMBER Bonds	(0.38)
Partial redemption of the Convertible Loan due on 16 April 2017	(1.97)
Balance as at the date of this announcement	0.00

c) Proceeds from 2017 APRIL BONDS

The Company had, on 5 April 2017, entered into a subscription agreement with Mr Tang Boo Teck ("**Mr Tang**"), pursuant to which Mr Tang agreed to subscribe for bonds in aggregate principal amount of S\$2.00 million ("**2017 APRIL Bonds**") at a subscription price of 100% of the principal amount of the 2017 APRIL Bonds.

Net proceeds from the 2017 APRIL Bonds of approximately S\$2.00 million have been fully utilised as follows:

	S\$'million
Net proceeds from the 2017 April Bonds	2.00
<u>As announced by the Company on 17 April 2017</u>	
Partial redemption of the Convertible Loan due on 16 April 2017	(2.00)
Balance as at the date of this announcement	0.00

13. Use of proceeds (continued)

d) Use of net proceeds from 2016 DECEMBER Option Shares

The Company had, on 7 April 2017, received an exercise notice from Mr Tee to exercise 185,185,185 of the 2016 DECEMBER Options, 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 Options was completed on 11 April 2017 and 185,185,185 Option Shares have been duly allotted and issued to Mr Tee on the same day.

Net proceeds from the 2016 DECEMBER Option Shares of approximately S\$3.00 million have been partially utilised as follows:

	S\$'million
Net proceeds from the exercised of 2016 December Option Shares	3.00
<u>As announced by the Company on 17 April 2017</u>	
Partial redemption of the Convertible Loan due on 16 April 2017	(1.53)
<u>As at the date of this announcement</u>	
Amount utilised for working capital purposes	
- Distribution expenses	(0.01)
- Administrative expenses	(0.23)
Balance as at the date of this announcement	1.23

The uses of the aforementioned net proceeds are in accordance with the intended use as stated in the respective announcements. The Company will make periodic announcements as and when the balance of the net proceeds from the 2016 DECEMBER Option Shares 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. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year.

The Group has three reportable segments, as described below, which are the Group's strategic business units. The reportable segments are the same as operating segments. No aggregation is performed when the segment reporting is prepared. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Directors (the chief operating decision maker) review internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (a) Video Management Solutions: includes supply of intelligent monitoring system, software licensing and maintenance.
- (b) Media Solutions: includes rendering of video monetisation services to advertisers and publishers, whereby advertisement are delivered in and around video content.
- (c) Contract Manufacturing Business: includes contract manufacturing of disk drive technology products.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The segment information provided to the Executive Directors for the reportable segments are as follows:

Business segments

	Video Management Solutions		Media Solutions		Contract Manufacturing Business		Total	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Segment revenue	-	1	14,540	3,656	7,211	7,692	21,751	11,349
Reportable segment loss before income tax	-	(502)	(12,330)	(5,803)	445	412	(11,885)	(5,893)
Other material non-cash items:								
Depreciation of property, plant and equipment	-	-*	54	41	566	586	620	627
Amortisation of intangible assets	-	-	16	6	253	257	269	263
Assets and liabilities:								
Reportable segment assets	-	29	9,078	9,566	5,081	5,539	14,159	15,134
Reportable segment liabilities	-	128	4,081	2,452	359	295	4,440	2,875
Other segment information:								
Capital expenditure of property, plant and equipment	-	-	51	84	30	81	81	165
Capital expenditure of intangible assets	-	-	-	30	4	9	4	39

* Amount less than S\$1,000

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year. (continued)

(a) Reconciliations

(i) *Segment loss*

A reconciliation of reportable segment revenues and profit or loss is as follows:

	2017	2016
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	21,751	11,349
Consolidated revenue	<u>21,751</u>	<u>11,349</u>
Profit or loss		
Total profit or loss for reportable segments	(11,885)	(5,893)
Unallocated amounts:		
- Distribution expenses	(46)	(8)
- Administrative expenses	(1,222)	(2,387)
- Finance expenses	(4,053)	(3,333)
- Other gains – net	1,350	3,814
Consolidated loss before income tax	<u>(15,856)</u>	<u>(7,807)</u>

(ii) *Segment assets*

The amounts provided to the Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than cash and cash equivalents, available-for-sale financial assets, other receivables such as interest receivables and corporate services and other current assets such as prepayments and deposits.

Segment assets are reconciled to total assets as follows:

	2017	2016
	S\$'000	S\$'000
Segment assets for reportable segments	14,159	15,134
Unallocated:		
Cash and cash equivalents	2,845	974
Other current assets	125	118
Property, plant and equipment	6	8
Available-for-sale financial assets	1	613
Consolidated total assets	<u>17,136</u>	<u>16,847</u>

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year. (continued)

(iii) *Segment liabilities*

The amounts provided to the Executive Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accrued professional fees such as audit fees, tax fees, secretarial fees, accrued shared payroll expenses, advance payments from share option holders and directors' fees payable.

Segment liabilities are reconciled to total liabilities as follows:

	2017	2016
	S\$'000	S\$'000
Segment liabilities for reportable segments	4,440	2,875
Unallocated:		
Trade payables and other liabilities	902	734
Loans from shareholder	-	2,750
Convertible loan	5,523	3,852
Bonds payable	7,175	7,496
Derivative financial instruments	13	327
Consolidated total liabilities	<u>18,053</u>	<u>18,034</u>

(b) Geographical information

The Group's three business segments operate primarily in three main geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore. The operations in this area are principally video management solutions;
- Thailand - the operations in this area are principally contract manufacturing business.
- Israel - the operations in this area are principally media solutions.

	Segment revenue		Non-current assets	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	-	1	6	11
Thailand	7,211	7,692	3,080	3,712
Israel	14,540	3,656	-	118
	<u>21,751</u>	<u>11,349</u>	<u>3,086</u>	<u>3,841</u>

The total amount of revenues from transactions with each external customer which individually amounts to 10% or more of the Group's revenues are as follows:

	2017	2016
	\$'000	\$'000
<u>Contract Manufacturing Business</u>		
Customer 1	7,211	7,692
<u>Media Solutions</u>		
Customer 1	3,966	990
Customer 2	-	366
Customer 3	1,443	355

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8.

17. A breakdown of sales as follows:

Group	2017 S\$'000	2016 S\$'000	% Change + / -
<u>First Half</u>			
Revenue reported for the first half-year	10,391	4,276	143
Loss reported for the first half-year	(6,360)	(2,411)	164
<u>Second Half</u>			
Revenue reported for the second half-year	11,360	7,073	61
Loss reported for the second half-year	(9,496)	(5,396)	76

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

20. 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

25 May 2017