



Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

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			9 Months		
	1 Oct 2016 to 31 Dec 2016	1 Oct 2015 to 31 Dec 2015	+/-	1 Apr 2016 to 31 Dec 2016	1 Apr 2015 to 31 Dec 2015	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
Revenue	5,135	3,249	58	15,526	7,525	106
Cost of sales	(4,407)	(2,527)	74	(12,982)	(5,940)	119
Gross profit	728	722	1	2,544	1,585	61
Gross profit margin	14%	22%		16%	21%	
Other gains - net	555	828	(33)	714	2,834	(75)
Expenses						
- Distribution	(560)	(660)	(15)	(1,563)	(1,426)	10
- Administrative	(630)	(2,459)	(74)	(5,566)	(5,843)	(5)
- Finance	(875)	(981)	(11)	(3,271)	(2,111)	55
Share of loss of joint venture	(44)	-	N.M.	(44)	-	N.M.
Loss before income tax	(826)	(2,550)	(68)	(7,186)	(4,961)	45
Income tax expense	-	-	-	-	-	-
Net loss for the period	(826)	(2,550)	(68)	(7,186)	(4,961)	45
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(378)	(6)	N.M.	(482)	(313)	54
Total comprehensive loss	(1,204)	(2,556)	(53)	(7,668)	(5,274)	45

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

	3 Months			9 Months		
	1 Oct 2016 to 31 Dec 2016	1 Oct 2015 to 31 Dec 2015	+/-	1 Apr 2016 to 31 Dec 2016	1 Apr 2015 to 31 Dec 2015	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
Depreciation of property, plant and equipment	(159)	(164)	(3)	(468)	(491)	(5)
Amortisation of intangible assets	(69)	(68)	1	(203)	(197)	3
Allowance for inventories obsolescence	-	(12)	N.M.	-	(14)	N.M.
(Loss)/gain on disposal of property, plant and equipment	(-*)	2	N.M.	(3)	1	N.M.
<u>Other gains/(losses) – net</u>						
Currency translation gains/(losses) - net	532	8	N.M.	938	6	N.M.
Fair value changes on derivative financial instruments	9	781	(99)	323	2,781	(88)
Interest income from bank and fixed deposits	2	3	(33)	14	5	180
Impairment loss on available-for-sale financial asset	-	-	-	(613)	-	N.M.
Others	12	36	(67)	52	42	24
	555	828	(33)	714	2,834	(75)
<u>Finance expenses</u>						
Interest expense on convertible loan	(607)	(602)	1	(1,759)	(1,696)	4
Interest expense on bonds	(268)	(379)	(29)	(1,512)	(415)	264
	(875)	(981)	(11)	(3,271)	(2,111)	55

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 2016 (Unaudited) S\$'000	31 Mar 2016 (Audited) S\$'000	31 Dec 2016 (Unaudited) S\$'000	31 Mar 2016 (Audited) S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,491	3,469	1,511	974
Available-for-sale financial asset	-	613	-	613
Trade and other receivables	793	8,242	4,013	4,433
Other current assets	157	394	71	120
Inventories	251	288	-	-
	3,692	13,006	5,595	6,140
Assets of disposal group classified as held-for-sale ⁺	15,474	-	-	-
Non-current asset classified as held-for-sale for company level ⁺	-	-	1	-
	19,166	13,006	5,596	6,140
Non-current assets				
Other receivables	-	-	23,758	11,986
Available-for-sale financial asset	_*	_*	_*	_*
Investments in subsidiaries	-	-	1,315	1,316
Investment in a joint venture	-	-	-	-
Property, plant and equipment	2,787	3,136	3	9
Intangible assets	491	705	_*	2
	3,278	3,841	25,076	13,313
Total assets	22,444	16,847	30,672	19,453
LIABILITIES				
Current liabilities				
Trade payables and other liabilities	1,262	3,609	960	875
Derivative financial instruments	3	327	3	327
Convertible loan	5,327	3,852	5,327	3,852
Bonds payable	5,175	7,496	5,175	7,496
Loans from shareholders	4,000	2,750	4,000	2,750
	15,767	18,034	15,465	15,300
Liabilities of disposal group classified as held-for-sale ⁺	3,142	-	-	-
	18,909	18,034	15,465	15,300
Total liabilities	18,909	18,034	15,465	15,300
NET ASSETS/(LIABILITIES)	3,535	(1,187)	15,207	4,153

+On 15 December 2016, the Company announced that it had, on 14 December 2016, entered into a non-binding term sheet with an independent third party (the "Purchaser") for the proposed disposal by the Company of the entire issued and paid-up share capital of its wholly-owned subsidiary, Artimedia Pte. Ltd. ("Artimedia Singapore"), together with Artimedia Singapore's wholly-owned subsidiary, Artimedia Technologies Ltd. ("Artimedia IL"), to the Purchaser. As at the date of this announcement, the Company had not entered into any binding and definitive sale and purchase agreement with the Purchaser.

* - 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 2016	31 Mar 2016	31 Dec 2016	31 Mar 2016
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	64,338	51,402	64,338	51,402
Other reserves	1,873	2,901	2,545	3,091
Accumulated losses	(62,676)	(55,490)	(51,676)	(50,340)
Total equity	3,535	(1,187)	15,207	4,153

Assets and liabilities of disposal group classified as held-for-sale

The major classes of assets and liabilities of the disposal group classified as held-for-sale under FRS 105 as at 31 December 2016 are as follows:

	31 Dec 2016 (Unaudited) S\$'000
Assets of disposal group classified as held-for-sale	
Plant and equipment	104
Intangible assets	48
Trade and other receivables	9,686
Other current assets	177
Cash and cash equivalents	5,459
	15,474
Liabilities of disposal group classified as held-for-sale	
Trade and other liabilities	3,142
	3,142
Net assets of disposal group classified as held-for-sale	12,332

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

	As at 31 Dec 2016		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	-	4,000	-	2,750
Convertible loan	-	5,327	-	3,852
Bonds payable	-	5,175	-	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.

Loan from Shareholder as at 31 December 2016

On 29 December 2016, the Company announced that it had entered into a share placement agreement ("**Share Placement Agreement**") with Mr Ching Chiat Kwong ("**Mr Ching**"), pursuant to which Mr Ching agreed to subscribe for and the Company agreed to allot and issue 246,913,580 new ordinary shares in the capital of the Company ("**Placement Shares**") at a placement price of S\$0.0162 for each Placement Share, on the terms and subject to the conditions of the Share Placement Agreement ("**Proposed Placement**"). The aggregate consideration payable by Mr Ching for the subscription of the Placement Shares is approximately S\$4.0 million. On 29 December 2016, Mr Ching extended an interest-free loan of S\$4.0 million to the Company, which was subsequently applied towards the subscription of the Placement Shares. The Proposed Placement was completed on 13 February 2017 and 246,913,580 Placement Shares were allotted and issued to Mr Ching on the same day.

Loan from Shareholder as at 31 March 2016

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

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 (the "**Conversion Shares**") in the capital of the Company at a conversion price of US\$0.0942 per Conversion Share between 17 April 2015 and 16 April 2017.

Bonds Payable

Bonds payable refer to bonds comprising the following:

- an aggregate principal amount of S\$4,000,000 as at 31 March 2016 (nil as at 31 December 2016), which was interest-free, unsecured and repaid on 21 September 2016;
- an aggregate principal amount of S\$2,300,000 as at 31 December 2016 (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; and
- an aggregate principal amount of S\$2,875,000 as at 31 December 2016 (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.

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

	3 months ended 31 Dec 2016 (Unaudited) S\$'000	3 months ended 31 Dec 2015 (Unaudited) S\$'000	9 months ended 31 Dec 2016 (Unaudited) S\$'000	9 months ended 31 Dec 2015 (Unaudited) S\$'000
Cash flows from operating activities				
Net loss	(826)	(2,550)	(7,186)	(4,961)
Adjustments for				
- Amortisation of intangible assets	69	68	203	197
- Depreciation of property, plant and equipment	159	164	468	491
- Unrealised currency translation losses	299	(56)	353	292
- Interest income	(2)	(3)	(14)	(5)
- Interest expense on convertible loan	607	602	1,759	1,696
- Interest expense on bonds	268	379	1,512	415
- Fair value changes on derivative financial instruments	(9)	(781)	(323)	(2,781)
- Impairment loss on available-for-sale financial asset	-	-	613	-
- Loss/(gain) on disposal of property, plant and equipment	-*	(2)	3	(1)
- Share of loss of a joint venture	44	-	44	-
- Allowance for inventories obsolescence	-	12	-	14
- (Write-back)/accrual of share-based compensation expenses	(1,382)	659	(546)	782
	(773)	(1,508)	(3,114)	(3,861)
Change in working capital:				
- Inventories	34	42	51	192
- Trade and other receivables	1,349	(747)	(1,887)	(1,253)
- Other current assets	99	129	131	(2,455)
- Trade payables and other liabilities	(1,249)	326	(193)	507
Cash used in operations	(540)	(1,758)	(5,012)	(6,870)
Interest received	1	3	14	5
Income tax prepaid	-	4	(48)	4
Net cash used in operating activities	(539)	(1,751)	(5,046)	(6,861)
Cash flows used in investing activities				
Additions to property, plant and equipment	(32)	(46)	(75)	(142)
Additions to intangible assets	(18)	(32)	(36)	(44)
Sales proceeds on disposal of property, plant and equipment	-*	(-*)	4	-*
Net cash used in investing activities	(50)	(78)	(107)	(186)
Cash flows from financing activities				
Proceeds from the renounceable and non-underwritten Rights Shares	-	-	10,307	-
Interest paid	(416)	(413)	(824)	(413)
Share issue expenses	-	-	(121)	-
Redemption of SEP Bond	-	-	(4,000)	-
Proceeds from issuance of bonds	-	4,500	-	7,700
Proceeds from convertible loan	-	-	-	5,386
Loan from shareholder	4,000	-	4,000	-
Net cash from financing activities	3,584	4,087	9,362	12,673

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)

	3 months ended 31 Dec 2016 (Unaudited) S\$'000	3 months ended 31 Dec 2015 (Unaudited) S\$'000	9 months ended 31 Dec 2016 (Unaudited) S\$'000	9 months ended 31 Dec 2015 (Unaudited) S\$'000
Net increase in cash and cash equivalents	2,995	2,258	4,209	5,626
Cash and cash equivalents				
Beginning of financial period	4,760	5,321	3,469	1,945
Effects of currency translation on cash and cash equivalents	195	26	272	34
Cash and cash equivalents of disposal group classified as held-for-sale ⁺	(5,459)	-	(5,459)	-
End of financial period	<u>2,491</u>	<u>7,605</u>	<u>2,491</u>	<u>7,605</u>

*- Amount less than S\$1,000

+Assets of disposal group classified as held-for-sale includes the cash and cash equivalents of disposal group for the proposed disposal as announced by the Company on 15 December 2016

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
(Unaudited)						
Balance as at 1 April 2015	50,731	76	2,542	-*	(47,683)	5,666
Loss for the period	-	(313)	-	-	-	(313)
Other comprehensive loss for the period	-	-	-	-	(4,961)	(4,961)
Total comprehensive loss for the period	-	(313)	-	-	(4,961)	(5,274)
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	-	-	782	-	-	782
Balance as at 31 December 2015	<u>51,402</u>	<u>(237)</u>	<u>2,653</u>	<u>-*</u>	<u>(52,644)</u>	<u>1,174</u>
(Unaudited)						
Balance as at 1 April 2016	51,402	(190)	3,091	-*	(55,490)	(1,187)
Loss for the period	-	(482)	-	-	-	(482)
Other comprehensive loss for the period	-	-	-	-	(7,186)	(7,186)
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)
Balance as at 31 December 2016	<u>64,338</u>	<u>(672)</u>	<u>2,545</u>	<u>-*</u>	<u>(62,676)</u>	<u>3,535</u>

*- 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
(Unaudited)					
Balance as at 1 April 2015	50,731	2,542	-*	(48,823)	4,450
Total comprehensive loss for the period	-	-	-	(699)	(699)
Issue of new shares pursuant to employee share award scheme	671	(671)	-	-	-
Value of employee services received for issue of share options	-	782	-	-	782
Balance as at 31 December 2015	51,402	2,653	-*	(49,522)	4,533
(Unaudited)					
Balance as at 1 April 2016	51,402	3,091	-*	(50,340)	4,153
Total comprehensive loss for the period	-	-	-	(1,336)	(1,336)
Write-back of 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)
Balance as at 31 December 2016	64,338	2,545	-*	(51,676)	15,207

*- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of Shares	Share Capital S\$'000
Issued and fully paid-up ordinary shares		
Balance at 1 October 2016	1,334,830,024	64,338
Balance at 31 December 2016	1,334,830,024	64,338

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 2016 was 147,394,267 (31 December 2015: 203,077,267), comprising the following:-

(a) Employee share options and employee share awards

As at 31 December 2016, the total number of outstanding employee share options and employee share awards were 19,650,000 and 26,650,000 respectively (31 December 2015: 40,333,000 and 35,300,000 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 December 2016, none of the Convertible Loan was converted. The Convertible Loan will mature 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 December 2016, none of the APRIL Options was exercised. The APRIL Options will expire 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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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. (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 December 2016, none of the SEPTEMBER Options was exercised. The SEPTEMBER Options will expire on 21 September 2017.

(d) 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 for the amount of S\$2.00 million (including interest due of S\$300,000) (out of the total amount of S\$4.50 million) to extend the repayment period from 30 December 2016 to 30 June 2017 on the same terms (including interest rate of 15% per annum) as the subscription agreement dated 31 December 2015. 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 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.

As at 31 December 2016, none of the 2015 DECEMBER Options was exercised. The 2015 DECEMBER Options will expire on 30 December 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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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. (continued)

(e) Mr Low and Mr Tee 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, the 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 December 2016, none of the 2016 DECEMBER Options was exercised. The 2016 DECEMBER Options will expire on 29 December 2019 for Mr Low and 18 January 2020 for Mr Tee.

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

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.

	As at 31 December 2016	As at 31 March 2016
Number of issued shares	1,334,830,024	899,627,918

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

1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not have any treasury shares as at 31 December 2016.

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.

	3 Months		9 Months	
	1 Oct 2016 to 31 Dec 2016	1 Oct 2015 to 31 Dec 2015	1 Apr 2016 to 31 Dec 2016	1 Apr 2015 to 31 Dec 2015
Net loss attributable to equity holders of the Company (S\$'000)	826	2,550	7,186	4,961
Weighted average number of ordinary shares outstanding for basic loss per share	1,334,830,024	892,688,788	1,262,032,581	889,853,373
Basic loss per share (S\$ cents)	0.06	0.29	0.57	0.56

(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 December 2016 (31 December 2015: four categories of potentially dilutive ordinary shares, namely share options, share awards, convertible loan and call options).

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.

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)

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

	3 Months		9 Months	
	1 Oct 2016 to 31 Dec 2016	1 Oct 2015 to 31 Dec 2015	1 Apr 2016 to 31 Dec 2016	1 Apr 2015 to 31 Dec 2015
Net loss used to determine diluted loss per share (S\$'000)	826	2,550	7,186	4,961
Weighted average number of ordinary shares outstanding for basic loss per share	1,334,830,024	892,688,788	1,262,032,581	889,853,373
Adjustment for				
- Share options	-	2,289,345	-	2,941,516
- Share awards	-	15,091,848	-	5,048,909
	<u>1,334,830,024[^]</u>	<u>910,069,981[^]</u>	<u>1,262,032,581[^]</u>	<u>897,843,798[^]</u>

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 December 2016	As at 31 December 2015
23 June 2011	Expired	8,990,000
23 December 2011	Expired	4,563,000
22 August 2012	6,370,000	6,620,000
22 April 2014	13,280,000	8,955,000
17 April 2015	63,694,267	63,694,267
22 September 2015	30,000,000	30,000,000
31 December 2015	33,750,000	33,750,000

[^] In the current financial period, although the options granted were dilutive in nature, the diluted loss per share was computed based on the weighted average number of shares of 1,334,830,024 (31 December 2015: 892,688,788) shares for the 3 months ended 31 December 2016 and 1,262,032,581 (31 December 2015: 889,853,373) shares for the 9 months ended 31 December 2016 as the Group had incurred losses.

	3 Months		9 Months	
	1 Oct 2016 to 31 Dec 2016	1 Oct 2015 to 31 Dec 2015	1 Apr 2016 to 31 Dec 2016	1 Apr 2015 to 31 Dec 2015
Diluted loss per share (S\$ cents)	0.06	0.29	0.57	0.56

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 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 December 2016	As at 31 March 2016	As at 31 December 2016	As at 31 March 2016
Net asset/(liability) value per ordinary share (S\$ cents)	0.26	(0.13)	1.14	0.46

Net asset/(liability) value per ordinary share is calculated based on 1,334,830,024 shares in issue as at 31 December 2016 (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 nine months ended 31 December 2016 ("FP 2017") increased to S\$15.53 million from S\$7.53 million for the previous corresponding period ended 31 December 2015 ("FP 2016"). This was driven mainly by the Group's Media Solutions subsidiary, Artimedia Technologies Ltd ("Artimedia IL"), which generated revenue of S\$9.71 million in FP 2017 as compared to S\$1.56 million in FP 2016. The Media Solutions business accounted for approximately 63% of the Group's total revenue for FP 2017, up from approximately 21% share of the Group's total revenue for FP 2016.

The Group's Contract Manufacturing subsidiary, Colibri Assembly (Thailand) Co., Ltd ("CAT"), generated S\$5.81 million in revenue in FP 2017 as compared to S\$5.96 million in FP 2016. CAT accounted for approximately 37% of the Group's total revenue for FP 2017.

Gross profit increased to S\$2.54 million in FP 2017 from S\$1.59 million in FP 2016 mainly due to the following:

1. gross profit of S\$2.26 million from CAT in FP 2017 as compared to S\$2.05 million in FP 2016;
2. gross profit of S\$0.28 million in FP 2017 from Artimedia IL as compared to a gross loss of S\$0.46 million in FP 2016; and
3. change in the Group's revenue mix, with the Media Solutions business accounting for approximately 63% of the Group's total revenue in FP 2017 as compared to approximately 21% in FP 2016.

The Group recorded smaller other gains (net) of S\$0.71 million in FP 2017, as compared to S\$2.83 million in FP 2016. This was mainly due to the following:

1. smaller fair-value gain in FP 2017 of S\$0.32 million on derivative financial instruments arising from a foreign currency convertible loan and bonds, as compared to S\$2.78 million in FP 2016;
2. impairment loss of S\$0.61 million in FP 2017 (FP 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 has been no trading activity since June 2016; and

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)

- 3. partially offset by foreign exchange gains of S\$0.94 million in FP 2017 as compared to S\$0.01 million in FP 2016. The foreign exchange gains were mainly due to the strengthening of the US Dollar against the Israeli Shekel (as Artimedia IL's funding is in US dollars).

The aggregate distribution, administrative and finance expenses for FP 2017 rose by S\$1.02 million mainly due to:

- 1. increases in overall payroll costs of S\$0.86 million mainly due to an increase in headcount resulting from increased activities for the Media Solutions business;
- 2. increases in professional fees of approximately S\$0.33 million mainly relating to legal fees and software sub-contractors for the Media Solutions business;
- 3. write-back of share-based compensation expenses of S\$0.55 million in FP 2017 as share awards granted were not vested given that the vesting condition was not met, compared to share-based compensation expenses of S\$0.78 million in FP 2016; and
- 4. increases in interest expenses of S\$1.16 million incurred from the Convertible Loan, SEPTEMBER Bonds and 2015 DECEMBER Bonds.

Due to the factors above, the Group incurred a net loss of S\$7.19 million in FP 2017 compared to a net loss of S\$4.96 million in FP 2016.

Statement of Financial Position

On 15 December 2016, the Company announced that it had, on 14 December 2016, entered into a non-binding term sheet with an independent third party to dispose of the entire issued and paid-up share capital of its wholly-owned subsidiary, Artimedia Pte. Ltd. ("**Artimedia Singapore**"), together with Artimedia Singapore's wholly-owned subsidiary, Artimedia IL (collectively the "**Proposed Disposal Group**"). The total assets of the Proposed Disposal Group were classified as assets held-for-sale at S\$15.47 million, as disclosed under the statement of financial position.

Current assets increased to S\$19.12 million as at 31 December 2016, from S\$13.01 million as at 31 March 2016. This was mainly due to growing business of the Proposed Disposal Group and the total assets of the Proposed Disposal Group of S\$15.47 million was classified as current assets. This increase was partially offset by reduction of S\$0.98 million in cash and cash equivalents, S\$0.61 million in available-for-sale financial asset, S\$7.45 million in trade and other receivables, S\$0.24 million in other current assets and S\$0.04 million in inventories.

Cash and cash equivalents decreased to S\$2.49 million as at 31 December 2016 from S\$3.47 million as at 31 March 2016. The decrease was mainly due to use of S\$5.05 million to fund the Group's operating activities, redemption of 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 of disposal group classified as held-for-sale. This was partially offset by the net proceeds of S\$10.19 million from the renounceable and non-underwritten Rights Issue completed in May 2016 and a loan from a shareholder, Mr Ching, of S\$4.00 million.

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)

The available-for-sale financial asset is in relation to the Group's investment in Nyxio, and was fully impaired as at 31 December 2016.

Trade and other receivables decreased to S\$0.79 million as at 31 December 2016, from S\$8.24 million as at 31 March 2016. As at 31 December 2016, trade receivables were largely attributable to the Contract Manufacturing business. The decrease was mainly due to reclassification of trade and other receivables of the Proposed Disposal Group to assets of disposal group classified as held-for-sale.

Assets of disposal group classified as held-for-sale as at 31 December 2016 of S\$15.47 million relates to plant and equipment, intangible assets, trade and other receivables, other current assets and cash and cash equivalents of the Proposed Disposal Group. The majority of the trade receivables of the Proposed Disposal Group as at 31 December 2016 were not over-due and were within the relevant credit period granted. Other receivables as at 31 December 2016 includes S\$4.21 million related to advance payments to publishers for the purchase of media video viewership.

Non-current assets declined to S\$3.28 million as at 31 December 2016 from S\$3.84 million as at 31 March 2016, mainly due to decreases of S\$0.35 million in property, plant and equipment and S\$0.21 million in intangible assets.

Property, plant and equipment decreased to S\$2.79 million as at 31 December 2016 from S\$3.14 million as at 31 March 2016, mainly due to the reclassification of property, plant and equipment of the Proposed Disposal Group to current assets and depreciation charges of S\$0.43 million. This was partially offset by addition of office equipment, furniture and fittings of S\$0.03 million by CAT.

Intangible assets decreased to S\$0.49 million as at 31 December 2016 from S\$0.71 million as at 31 March 2016, mainly due to the reclassification of intangible assets of the Proposed Disposal Group to current assets and amortisation charges of S\$0.20 million.

Current liabilities rose to S\$18.91 million as at 31 December 2016 from S\$18.03 million as at 31 March 2016. This was mainly due to increase of S\$1.25 million in loans from shareholders, S\$1.48 million in respect of the Convertible Loan due to the amortisation of the interest component of the Convertible Loan and liabilities of the Proposed Disposal Group of S\$3.14 million being classified as liabilities of disposal group classified as held-for-sale. The overall increase was partially offset by decrease of S\$2.35 million in trade payables and other liabilities, S\$0.32 million in derivative financial instruments and S\$2.32 million in bonds payable.

Trade payables and other liabilities declined to S\$1.26 million as at 31 December 2016 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 Proposed Disposal Group to liabilities of disposal group classified as held-for-sale. This was partially offset by a deposit of S\$0.50 million from Ms Poh for a share placement which was completed on 18 January 2017, and an increase in other accruals of S\$0.28 million from the Contract Manufacturing business.

The Convertible Loan of S\$5.33 million as at 31 December 2016 and its corresponding fair-value derivative financial instruments, which are embedded in the Convertible Shares and APRIL Option Shares, are accounted for in the Group's 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.

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)

Bonds payable of S\$5.18 million as at 31 December 2016 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 and the 2015 DECEMBER Bonds have the right to subscribe for the option shares before the respective 21 September 2017 and 30 December 2017 maturity dates. The Company had on 21 September 2016 redeemed in full the SEPTEMBER Bonds in aggregate principal amount of S\$4.00 million at 100% of their principal amount on the redemption date. Following such redemption, the SEPTEMBER Bonds were cancelled and there are no outstanding SEPTEMBER Bonds. The Company had on 9 November 2016 obtained an agreement with Ms Poh to extend the repayment period from 30 December 2016 to 30 June 2017 for the original principal amount of S\$2.00 million and accrued interest due of S\$0.30 million on the same terms (including interest rate of 15% per annum). The Company had subsequently, on 29 December 2016, partially redeemed the 2015 DECEMBER Bonds in aggregate principal amount of S\$2.50 million and the interest portion of S\$0.38 million by way of set-off against the new 2016 DECEMBER Bonds with an aggregate principal amount of S\$2.88 million, which bears interest at 10% per annum and is repayable on 30 June 2017. The 2016 DECEMBER Bonds were subscribed by Mr Low on 30 December 2016. Pursuant to a separate option deed, Mr Low has the right to subscribe for 370,370,370 2016 DECEMBER Option Shares at an exercise price of S\$0.0162. This was approved by shareholders in the EGM on 10 February 2017.

As at 31 December 2016, there was a loan of S\$4.00 million from shareholder, Mr Ching for the Proposed Placement. The Proposed Placement was duly approved by shareholders in the EGM on 10 February 2017 and completed on 13 February 2017. Loans of S\$2.75 million from shareholders as at 31 March 2016 were set off against (i) the entire subscription monies payable by Algotech for an aggregate of 83,208,066 Rights Shares; and (ii) a portion of the subscription monies payable by Mr Soh Sai Kiang Philip for an aggregate of 27,181,666 Rights Shares. The Rights Issue was completed in May 2016.

The Group had positive equity of S\$3.54 million as at 31 December 2016, compared to negative equity of S\$1.19 million as at 31 March 2016, mainly due to an increase in share capital arising from the Rights Issue of S\$12.94 million. This was partially offset by losses recorded for FP 2017 and a reduction in other reserves.

Consolidated Statement of Cash Flows

Net cash used in operating activities for FP 2017 was S\$5.05 million, mainly due to losses incurred by the Group. Net cash used in investing activities for FP 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 FP 2017 was S\$9.36 million, due to gross proceeds of S\$10.31 million from the Rights Issue, receipt of loan from a shareholder, and S\$4.00 million from Mr Ching for the Proposed Placement of 246,913,580 shares at a placement price of S\$0.0162. The increase was partially offset by the redemption of the S\$4.00 million SEPTEMBER Bonds, share issue expenses of S\$0.12 million incurred for the Rights Issue 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.

As announced on 15 December 2016, the Company is exploring new business ventures and investment opportunities as it seeks to dispose of its Media Solutions business to an international private equity fund for a cash consideration of S\$50 million (“**Proposed Disposal**”). Due diligence in respect of the Proposed Disposal is currently in progress and has not been completed as at the date of this announcement. Shareholders should note that there is no certainty or assurance that the definite agreement will be entered into and/or the Proposed Disposal will materialise. The Company will update shareholders as and when there are material developments in respect of the Proposed Disposal.

Notwithstanding that Artimedia IL is making significant headway in Israel’s digital advertising industry, it requires substantial funds to continue as a viable business. The Board therefore believes that the Proposed Disposal is fitting as the sales proceeds will substantially strengthen the balance sheet of the Company and position it to pursue more promising business ventures. The Company will continue to operate its Contract Manufacturing business which remains operationally profitable and cashflow-positive.

The Company is currently exploring all options to raise funds to repay the Convertible Loan, the balance of the 2015 DECEMBER Bonds and the 2016 DECEMBER Bonds.

Following the completion of a placement of 246,913,580 new Shares to Mr Ching Chiat Kwong on 13 February 2017, Mr Ching is now the controlling shareholder of the Company, with a stake of 24.5%.

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 completed the share placement to Ms Poh Chew Hua Christine and Mr Ching Chiat Kwong on 18 January 2017 and 13 February 2017 respectively (the “**Share Placement**”). Net proceeds from the Share Placement of approximately S\$4.43 million have been partially utilised as follows:

	S\$’million
Net proceeds from the Share Placement	4.43
<u>As announced by the Company on 13 February 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	(0.04)
- Administrative expenses	(0.74)
Balance	0.77

13. Use of proceeds (continued)

b) Proceeds from 2016 DECEMBER BONDS

Pursuant to the 2016 DECEMBER Issuance of 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).

As at 14 February 2017, net proceeds from the 2016 DECEMBER Bonds of approximately S\$4.85 million have been partially utilised as follows:

	S\$'million
Net proceeds from the 2016 DECEMBER Bonds	4.85
<u>As announced by the Company on 29 December 2016</u>	
Partial redemption of the 2015 DECEMBER Bonds	(2.50)
Partial payment of interest charge in respect of the 2015 DECEMBER Bonds	(0.38)
Balance	1.97

The Company will make periodic announcements as and when the balance of the net proceeds from the Share Placement and the 2016 DECEMBER Bonds 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 2016 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 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

Kenneth Goh
Executive Director and Chief Executive Officer
14 February 2017